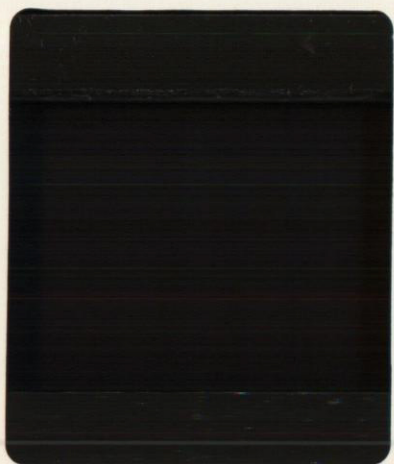




# 1969 ANNUAL REPORT

GEO. A. HORMEL & COMPANY/AUSTIN, MINN/FISCAL YEAR ENDING OCT. 25, 1969



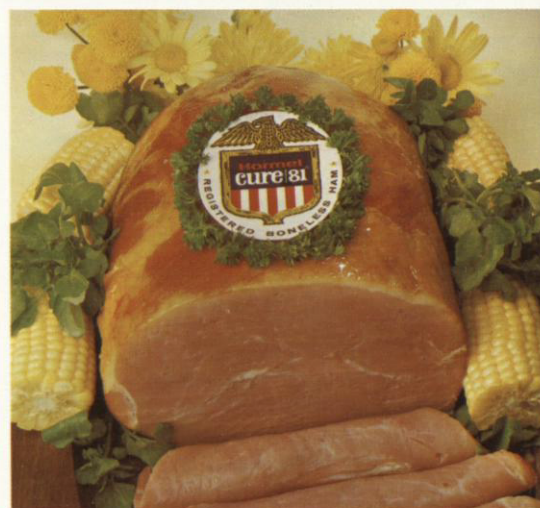


# FILLING A NATION'S NEEDS



# TELLING A STORY IN PICTURES





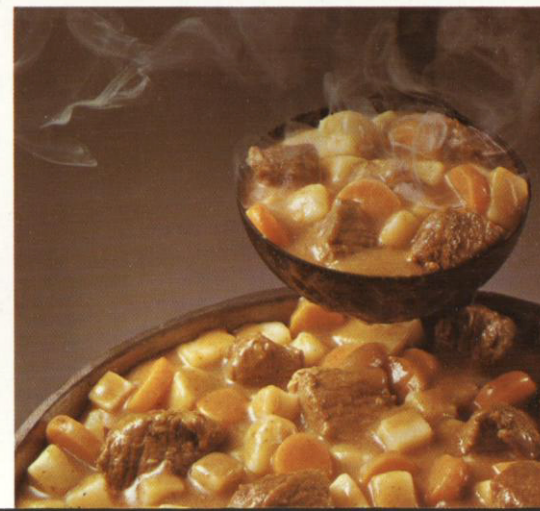
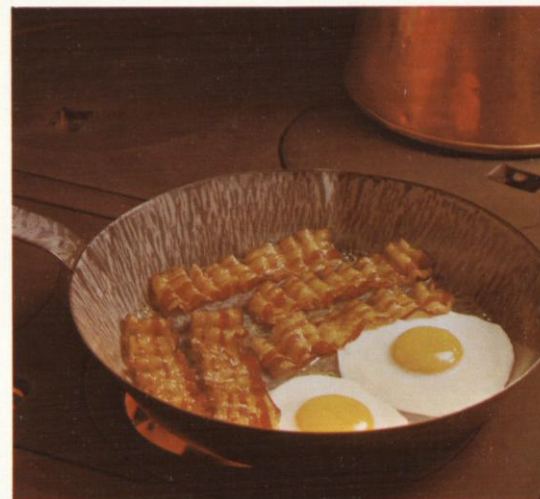
SPAM, Dinty Moore Beef Stew, Cure 81 Ham, Hormel Chili, Range Brand and Black Label Bacon, plus others, is only a brief narrative of the many popular Hormel products which can be found in supermarket shelves and meat counters across the country.

Over the years these products have successfully passed the roughest exam of all — consumer acceptance — until, today, each item is preferred wherever quality rules the tastes of the consuming public.

The Hormel Company, with more than 75 years of experience in pleasing the American housewife and her family, manufactures a large variety of delicious, wholesome and appetizing, conveniently and attractively packaged meat products.

From our product line of over 750 different meat items, only a few of the "all-time" favorites have been selected for inclusion in this booklet. We hope that you will enjoy these feature stories.

Whether feeding a large or small family, or planning for formal or leisurely entertaining, we're certain that these and other Hormel products will appeal to you.





It has often been reiterated that SPAM was one of the best known symbols of World War II and that if military medals were ever awarded to products that had "gone to war," one product, SPAM, would surely have walked off with top honors.

SPAM traveled around the world to war-torn countries as part of American lend-lease. And because an army often travels on its stomach, the Allied forces, it was said, most certainly traveled the road to victory with stomachs well filled with SPAM.

#### Much Adverse Publicity

One might assume that a huge post-war market would be assured by such large-scale "sampling." On the contrary, however, GI's, with a contempt bred by over familiarity, would tell you that "SPAM is ham that didn't pass its physical." Similarly, at one time or another, millions of GI's vowed never to eat another bite and would not have bet a spent cartridge case on SPAM's chances of survival.

Because no product in history ever suffered such a barrage of unfavorable publicity, The Hormel



## THE SPAM STORY: **WAR** World II Notoriety

Company certainly had some misgivings about the future of SPAM. Perhaps they didn't count on the healing effects of time . . . or perhaps the GI's really had a hidden fondness for SPAM. At any rate, only a few years after World War II SPAM was a family favorite.

By 1958, SPAM was the most popular 12-ounce canned meat on the market, accounting for 41 per cent of all sales in its field. This figure has steadily increased since that time. Less than one year later, in 1959, Hormel announced that 1,000,000,000 cans of SPAM had been produced. Sales since have continued apace.

The original 12-ounce can was joined in 1964 by a smaller version 7-ounce SPAM can. This new size was produced to offer greater economy and convenience to

smaller quantity users, a group which includes newlyweds, elderly couples, and those persons living alone.

#### Jokes Were Common

All through these years, Hormel ignored the wartime barbs, figuring that any publicity was good publicity. During this interval, SPAM became one of the most celebrated four-letter words in World War II and gave birth to a flavorsome literature of tales, odes, jokes, and limericks.

The story was told of a downed flyer who wandered through the South Pacific jungles for several weeks subsisting on berries; when he finally found camp and was offered SPAM, he fled back into the jungles, crying, "I'm going to eat the berries."

Or, perhaps, the general attitude

of GI's was aptly summed up in a much-reprinted cartoon. It showed a very disgruntled leatherneck roaring in rage at the mess-sergeant, "Wadda ya mean, 'luncheon meat'? I say it's SPAM, and I say to hell with it!" Actually, there was more truth than humor in this celebrated cartoon, because what served as the butt of so many jokes and gripes was not always SPAM. The easy-to-use monosyllabic name had become synonymous with just about every piece of pork that came out of a can.

#### Robert Ruark Offers Support

Among those who came valiantly to the defense of SPAM in the immediate post-war era was Robert Ruark, syndicated newspaper columnist. In a somewhat nostalgic article about his wartime experiences, titled "Tasty Product



Took Beating During War," Ruark wrote:

"I eat SPAM today, as, I presume, do a lot of other Americans, and I like it very much, especially with vinegar or mustard. But there was a time when I, and several million other people, were a little less than madly infatuated with it.

"Where Mr. Hormel found the necessary swine I shall never know, but the only thing we didn't run short of in the war was you know what. There weren't any apartments or new cars or very much gas. But man, there was plenty of SPAM.

"I went to London in the blitz and there was no fish and chips and only the black market could find you a piece of gristly meat at a guinea an ounce, but SPAM-sandwiches were available in every teashop.

"We had SPAM cold and SPAM fried, baked, boiled, casseroled, and once in a long while, when somebody surprised a hen in the act, we had SPAM-n-eggs. We had for dessert SPAM a la mode. Never did such a really tasty product get such a foul blackguarding.

"But there was a time in my life when, confronted by SPAM or starvation, I would have turned the old face to the wall."

Although the war provided SPAM its days of greatest glory (or infamy, depending upon your status at the time), the product had achieved a moderate degree of success as early as 1937. But the full story begins even 10 years earlier. The problem of producing a consumer-sized package of Spiced Ham was unresolved in 1927. This tasty product was first packaged in a six-pound can. Seeking a better way to market pork shoulder, Hormel developed a recipe combining ground pork with ham. In 1936, with nine years of production knowledge, Hormel marketed the first 12-ounce can of Spiced Ham. This was quickly followed by 12-ounce luncheon meats.

#### Name Was Conceived

After two years of testing in a limited market, Hormel, in 1937, began searching for a name for the new product. Identity could not be maintained because rival luncheon meats were also being sold in the same 12-ounce size. An earnest en-

deavor was made for a trade-mark name that could be copyrighted, and thus made safe from competitors. A cash prize of \$100 for the best name submitted was offered. "Brunch" was suggested and seriously considered. An actor-brother of a Hormel vice president, however, tossed in the name "SPAM." It was an easy winner. SPAM was immediately copyrighted, protecting it against imitation.

Advertising was effective. To tell the world about SPAM, the Hormel Company undertook a program of radio advertising. First, a half-hour weekly performance called "Swing with the Strings" by an 18-piece orchestra was utilized. "It Happened in Hollywood" was another program aired that conveyed the SPAM story to consumers. In 1940, Hormel took a major step. It contracted for the services of George Burns and Gracie Allen along with Artie Shaw and his 23-piece orchestra. This high-powered radio talent did a superb job in sales promotion work.

There were SPAM crews, Hormel Dollar Bill Campaigns, and many other promotions to advertise the pork shoulder and ham product. The name caught the public's fancy. Within a short interval, an

immense popularity was achieved.

People in large numbers began eating SPAM. Rival meat packers soon followed with their own concoctions with the name SPAM often imitated with a flurry of other good, short titles. The total market for 12-ounce luncheon meat began to soar, but SPAM held the lead. Then came the war and what at first appeared to be a quick, lost-in-combat ending for SPAM resulted in consumer acceptance after the war.

There is no product being marketed in the country today that has such an unusual marketing story. Now the leading luncheon meat in the world, SPAM can claim a majority of the market over all other competing brands. Even more important, it increased substantially the value of the hog. A great new demand for picnics and heavy hams was created. No one development in the meat industry within the last few decades has done so much towards raising the value of the hog as was done in SPAM's origination.

The reputation of SPAM is unfutable. It enjoys international distribution as close as any one product can obtain.



**G.I. Humor.** The cartoon above, drawn by artist George Baker for **Stars and Stripes**, illustrates the prevalent attitude toward SPAM among servicemen of World War II.





fix it...



mix it...



fry it...



try it...

**Fix it:** Thin-sliced SPAM, Swiss Cheese and sauerkraut on light rye bread. Mustard optional. Delicious cold or grilled. Reuben SPAMwich! ☐ **Mix it:** Mash or whip yams or sweet potatoes (1 can) with dab of soft butter. Mix in SPAM cubes ( $\frac{2}{3}$  can). Top with SPAM wedges (remaining  $\frac{1}{3}$  can), whole cranberry or cranberry-orange sauce. Bake 20 min. at 350°. SPAMBaked Yams! ☐ **Fry it:** Brown SPAM slices and serve for breakfast with fluffy scrambled eggs, or eggs any other way.

SPAM'n Eggs ☐ **Try it:** Toss SPAM strips with crisp salad greens, cucumber slices, artichoke hearts, tomato wedges, cheese strips, Italian dressing. SPAM Salad Romano! ☐ No matter how you slice it, SPAM comes through with the just-right meaty touch for hundreds of inspired (and nourishing) meals. It's all lean, juicy pork shoulder and famous Hormel Ham, with the can't-be-copied flavor.





**EASY OPEN...**  
**EASY OUT**



An entirely all-new marvel in the convenience packaging of SPAM was introduced by The Hormel Company, manufacturers of the world's most popular luncheon meat product.

The new improvement was an all-aluminum rectangular container called "RingSide," and featured a revolutionary new ring pull-tab. This bold, side-opening can has a distinct easy-to-open quality that is far different than any other metal container. The ring pull-tab is simply lifted up and pulled, removing the right side of the container, and exposing over half of the product. SPAM is the first meat of any type

to be packaged in the "RingSide" container created by the American Can Company.

The benefits of the aluminum SPAM can will appeal to today's consumers. Absolutely no key is needed for the all-aluminum containers. The ring or tab appears on the front and needs only to be pulled. The entire right half of the can is easily removed, allowing the meat to slide smoothly out of its container with a minimum of effort.

Unlike any previous aluminum cans which have been designed to open at the top, the SPAM can "unlocks" from the side, exposing half

of the product when the tab is pulled. The sparkling can is clean, sanitary, and appealing to the eye.

The product's international distribution is maintained with manufacturing plants in England, Ireland, Canada and Venezuela, along with canning lines in Austin, Minnesota; Fort Dodge, Iowa; and Fremont, Nebraska. The "RingSide" aluminum can, with its sensational easy-to-open feature, is just one more significant advantage associated with Hormel SPAM which will continue to contribute materially to the world-wide reputation this product enjoys today.

## CANNED LAUGHTER



Cook, to mess-sergeant: "I've got it! Something really different; We'll slice SPAM lengthwise!"

When a young Navy lieutenant returned home on leave for Christmas the little girl next door showed great interest in his ribbons and the battle star he wore. "Why do you wear a star?" she asked. "That," he responded, "was given to me for eating a whole can of SPAM single handed."

A few days later the youngster came upon a brightly colored advertisement picturing a naval officer decorated extensively. The child ran to her mother with it. "Look, Mommy, another lieutenant ate a whole can of SPAM!"

21 years later

## "IKE" FORGIVES HORMEL FOR SPAM

In a letter to late Chairman of the Board of The Hormel Company, H. H. Corey, President Eisenhower wrote,

"I ate my share of SPAM along with millions of other soldiers. I'll even confess to a few unkind words about it — uttered during the strain of battle, you understand. But as the former Commander-in-Chief, I believe I can still officially forgive you your only sin: sending us so much of it."



# Cure|81

REGISTERED BY 

## HAM:

# Orbiting to New Sales Marks

It is quite common for a company to produce a product and then begin a campaign to convince the consumers of its value. The Cure 81 Ham was a very successful and unique marketing campaign for The Hormel Company, despite the fact they established precedent. They chose to listen to thousands of women tell them how to make a ham, how to package it, and how to advertise and sell it.

All packaging, advertising and distribution procedures were oriented to satisfy consumers. It was even decided to let them dictate production techniques. Production foremen and all workers involved in the development of this product were motivated to do their individual jobs to please only one person — the consumer.

It was necessary, however, to determine what kind of ham appealed most to consumers and, at the same time, could be described as the "World's Most Nearly Perfect Ham!"

With this purpose in mind, panel discussions of 20 women from different economic levels and family requirements, and from 16 different locations in the country were held. They were invited to taste a potential Cure 81 Ham. Afterwards their suggestions, criticisms and other comments were all tape recorded and carefully analyzed by the curing department, salesmen and advertisers. The women said:

1. It must be completely boned, shank off, skinned.
2. It must be tender.

3. It must have a good old-fashioned smoky flavor.

4. All inside, as well as outside, fat must be removed.

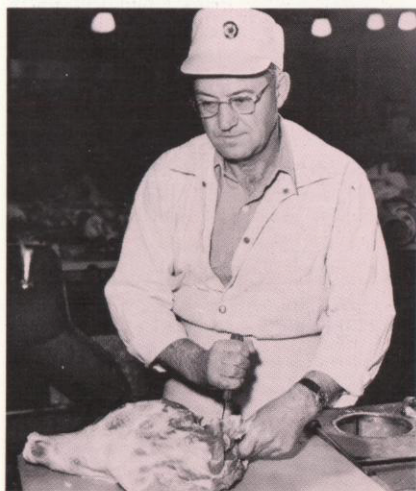
5. It must be economical.

6. It must look like a ham.

This was quite an order for The Hormel Company to fulfill. Furthermore, no meat packer had ever marketed a ham with specifications quite so rigid, and there wasn't any assurance that it was possible to do so.

Cure 81's, however, are specially selected from the very beginning, and this is where our story will start. Every ham is meticulously trimmed of excess fat inside and out by the sharp curved knives of dexterous Hormel trimmers.

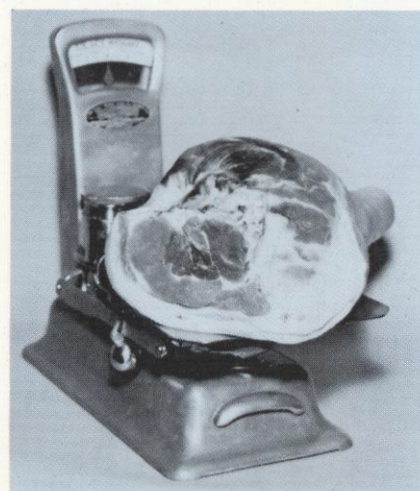
There is no automation in this process. The entire treatment is a



Boning Ham



Panel Discussion



Selected Choice Ham



result of individual craftsmanship which was one of the first requests made by the panel. The housewives wanted to purchase a ham which was the result of someone's love for his craft, his skills, and his desire to please people.

The package evolved, and it soon encountered many difficulties. A tremendous amount of detail was required when working with the United States Government and its labeling regulations.

The label was intended to keep the nostalgia and early American craftsmanship the women had earlier suggested with one exception, that is. All the essential Government information — the federally inspected stamp, identification, cooking instructions — were left out.

Thus the advent of the two labels and the curemaster strip. The Government was satisfied, and Hormel had an "antique looking" label. These labels, placed together with a clear sparkle film, showed housewives all the smoky goodness of the Cure 81. The Cure 81 Hams were numbered to maintain strict quality control.

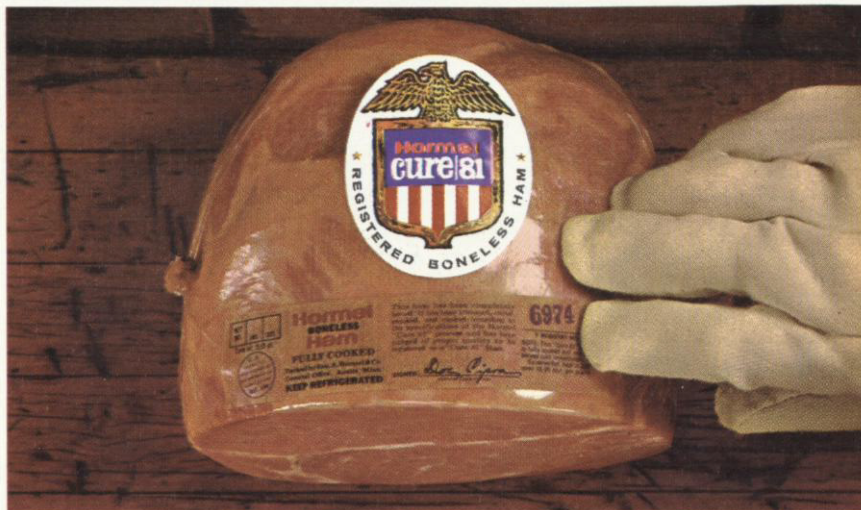
It was back to the women and their comments on the design. "Oh! A registered ham," when they saw the quality control number, was their immediate reaction. "This means a perfect ham," they said. Hormel said "Why Not? Let's express full confidence in this ham," said Company officials. It was decided to register and guarantee each and every ham. So it, indeed, became a registered ham.

Another important factor with our panel of housewives was shape. They wanted the boneless ham to still look like a ham. It couldn't be round. It couldn't be flat. It had to have the oblong oval shape of the old fashioned ham.

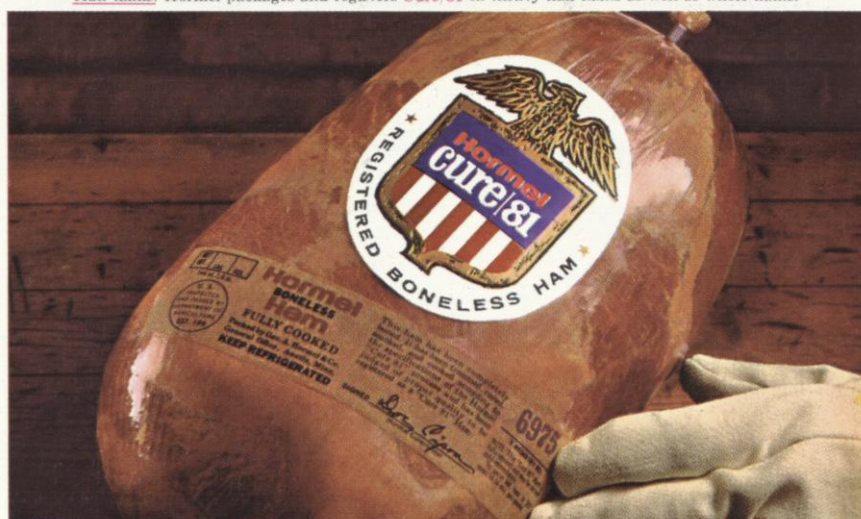
Now that Hormel had the "World's Most Nearly Perfect Ham," it was essential to advertise it in a fitting pattern of perfection that would interest the homemaker.

Recalling the importance of craftsmanship and the curemaster strip to the housewives, Hormel flew artists and photographers into Austin to shoot the photography on the Cure 81 Ham's home grounds. Despite the fact Cure 81 is smoked

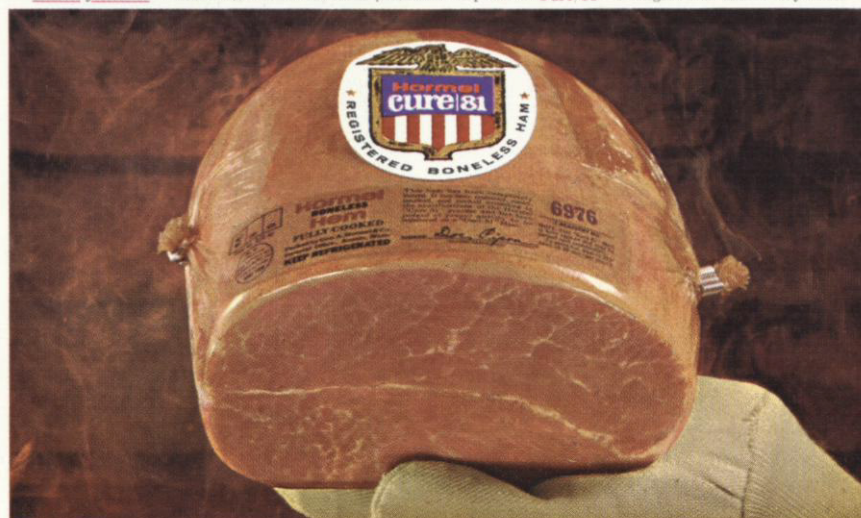
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Half-hams. Hormel packages and registers Cure 81 in thrifty half-hams as well as whole hams.



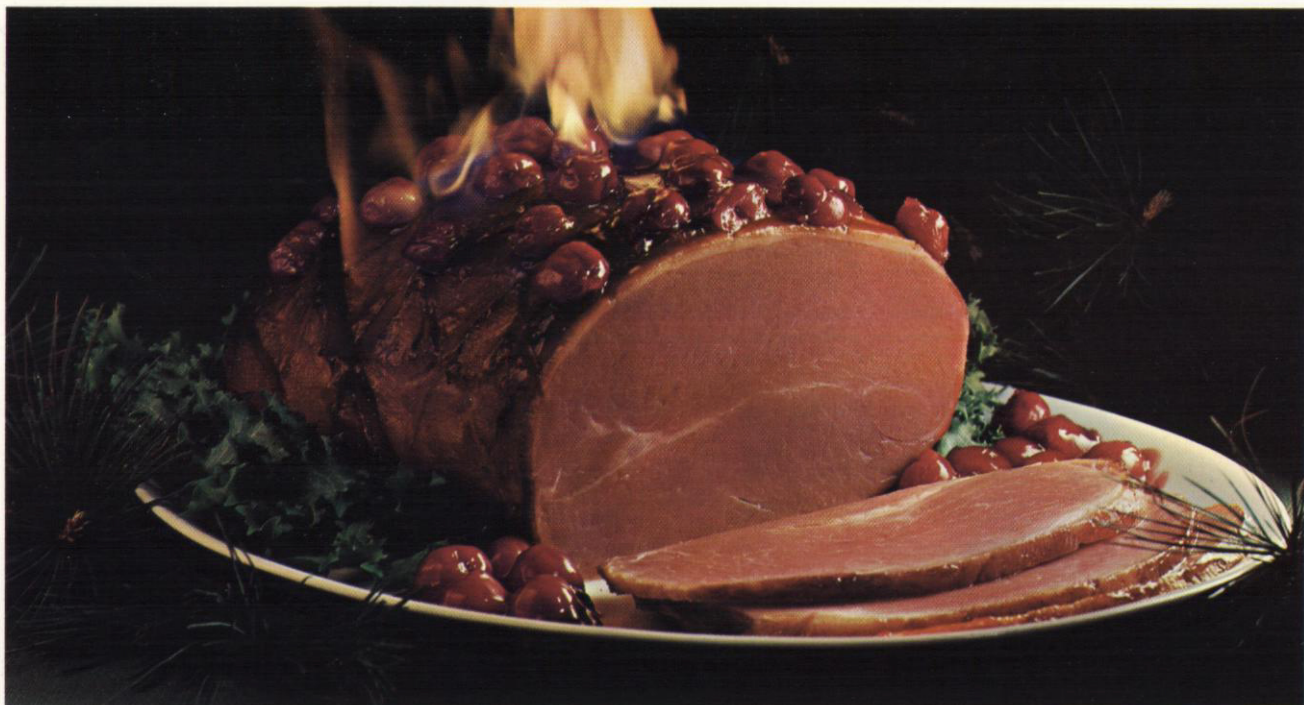
Holiday dinner. When the occasion demands perfection depend on Cure 81 — a magnificent ham every time.




Party buffet. Cure 81 is ready to heat or serve cold. Slices beautifully from beginning to end.

This is the "World's Most Nearly Perfect Ham." A boneless, ready-to-serve ham that has the haunting, smoky flavor of years past. The Cure 81 Ham is so carefully cured and baked that it's given an individual registration number.





# cure|81

Registered and Guaranteed by  **Hormel**

(Continued from page 7)

and oven baked in modern stainless steel ovens, one of the oldest parts of the packinghouse was chosen to capture the craftsmanship idea.

The most important factor about the ham — that it was registered and that each ham had its own individual registration number — was selected by the consumer for the headline. A Cure 81 advertisement is perhaps the only advertisement that uses a number for a headline. The Advertising Department wanted to capture the smoky nostalgic mood that seemed to surround this product in the minds of the women who had already come into contact with it.

Cure 81 has, indeed, been found to be the world's most nearly perfect ham. This boneless, ready-to-serve ham has the haunting, smoky flavor of years past that the panel of housewives requested. This is the ham so carefully cured and baked that it's given an individual registration number.

Perhaps the moral of the story is to listen. Thousands of women suggested how this ham was to be

made, packaged, advertised and distributed. With production foremen and workers motivated to

please only the consumer, a formula was eventually reached that revolutionized the ham industry.





# HORMEL SERVES

FARMERS  
EMPLOYEES  
CONSUMERS  
STOCKHOLDERS

The Hormel Company is a native Minnesota business. It employs nearly 4,000 persons at its Austin, Minn., headquarters; plus another 4,000 persons in many other cities and states.

Hormel is a meat packer dedicated to producing good and wholesome food. What is its function?

Operating under the customary profit incentive well enough to turn up a profit, it serves the stockholder, farmer, employee, and customer.

The Hormel Company's service to the employee is well known to the Nation — guaranteed year-around employment, profit-sharing, insurance benefits and retirement reserves.

Service to the consumer and to the producer are largely one and the same. As Hormel is improving the quality, method of preparation, convenience, and attractiveness of its product to the consumer, it is also improving the demand for meat, which is the demand for increased livestock.

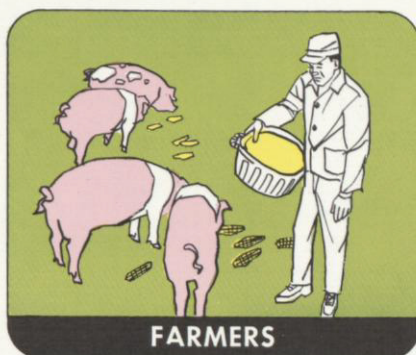
As early as 1926, Hormel encouraged producers to grow what has come to be termed the "meat-type hog." It offered premiums for this consumer preferred type hog, which has a larger percentage of its weight in the more desired cuts.

Through sponsorship of such forward-looking programs as the National Barrow Show, Midwest Steer and Carcass Show and others, the Company assists and encourages year-by-year advances in livestock farming. Consequently, Hormel produces a constantly improving product for the consumer's table and, at the same time, is serving the producer as well.

At Hormel, there are some 3,000

stockholders who own the Company. The plants, offices, trucks and machinery are purchased with their money. Actually, it is a two-way street — employees have jobs which pay wages and benefits; as stockholders they get dividends which come out of profit.

Hormel does, indeed, serve four important groups — the stockholder, farmer, employee, and consumer.



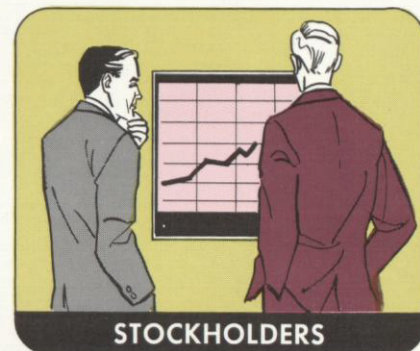
FARMERS



EMPLOYEES



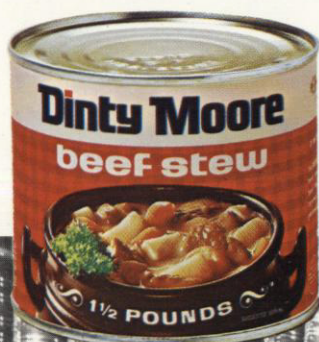
CONSUMERS



STOCKHOLDERS



# Dinty Moore® Beef Stew



A product developed to fill an inventory of empty cans! A controversy involving the "Bringing Up Father" comic strip and the name of a famous restaurant in New York City!

This is just part of the unusual story of Dinty Moore Beef Stew. The product had its historical beginning because of the dire need to fill 500,000 empty containers. The packaging was available, but no product had been researched and developed.

## A Strange Tale

Cattle ranchers faced serious losses due to droughts in 1934. The dry period was a prolonged one. The U. S. Government, therefore, attempted to relieve this situation by underwriting a beef-and-gravy canning program. They purchased the cattle and arranged for Hormel and other meat packers to produce a steam roast beef which contained small amounts of gravy. This product was packaged in 24 oz. tins.

The program continued over a

nine-month period. Toward the end of the depression in 1935, the product was distributed by relief organizations in urban centers to the unemployed and destitute families. Although this program was an invaluable aid to the farmers, the sudden withdrawal by the Government and the termination of this program left Hormel with half a million empty cans. Other meat packers were also faced with an abundant supply of these 1½ pound cans. The total inventory reached into the millions with each can representing an investment of four cents, plus cost for storage.

What to put into these empty cans? The Hormel Grocery Products Division was plagued with this severe problem. The cans were not adaptable for other Hormel products, and the Company was faced with a loss of thousands of dollars unless some need for the cans could be derived.

Jay C. Hormel, chairman of the board, conceived the idea of canning a 24-oz. Beef Stew. Under the

U. S. Government program, the cans were gold lacquered on the outside and imprinted with the words "Beef and Gravy" in black. The Hormel Company covered these cans with a paper label and called it Hormel Beef Stew.

All of this product was sold to the domestic trade in 1936. The sale of this item was phenomenal and, as a result, Hormel purchased all available 24-oz. cans from the other meat packers who were happy to unload their supply for two cents per can plus freight. The paramount reason cited for the overwhelming acceptance was its timing on the market. The country was severely hit by the depression, and here was a truly big meal in a can selling for only 15 cents.

## Dinty Moore Appears On The Scene

C. F. Witt & Sons, a large wholesale and retail grocery and meat firm located in Minneapolis, Minnesota, had for several years manufactured a quick cured picnic which they marketed and advertised as



Dinty Moore Picnics. The sale of this product, plus others sold under the Dinty Moore name, was confined primarily to the State of Minnesota because the firm was not federally inspected. C. F. Witt had registered the brand name, "Dinty Moore," in the State of Minnesota and with the Federal Government for a number of years.

The Hormel Company entered into a contractual agreement with C. F. Witt & Sons whereby Hormel obtained exclusive rights, both in the United States and in foreign countries, to sell and distribute canned meat and meat products under the Dinty Moore trademark. Witt, in turn, was granted the right of selling all other food items that were not canned goods under the Dinty Moore name. Thus, in the late months of 1936, Hormel began producing and marketing beef stew under the Dinty Moore label.

The name Dinty Moore and The Hormel Company's use of this trademark were soon challenged, however. It was learned that Dinty Moore was the name of a character in the comic strip "Bringing Up Father," and that it had appeared

in newspaper comic sections as early as November 16, 1913. Questions immediately arose as to whether Hormel was infringing upon the rights of George McManus, creator of "Bringing Up Father," the cartoon that featured the still-popular characters Maggie and Jiggs.

Discussions between officials of The Hormel Company and King Features Syndicated, Inc., and George McManus, resulted in the common understanding and agreement that since there was no direct competition between these two merchandisable commodities—Dinty Moore Beef Stew and the Dinty Moore character in the "Bringing Up Father" comic—Hormel was not violating the rights of King Features and McManus.

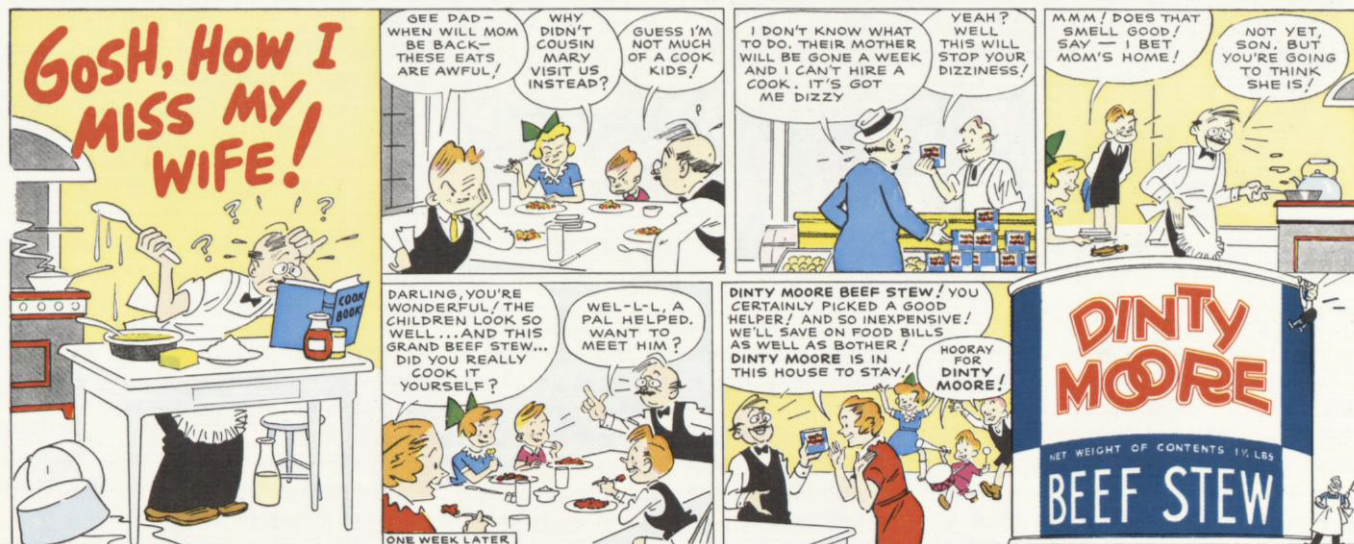
Furthermore, a contract was later developed between both firms which authorized Hormel to use pictures of the fictitious characters, Jiggs, Maggie, and Dinty Moore, in connection with point-of-sale advertising material.

Shortly thereafter, a suit was brought against Hormel by a restaurateur in New York City

who claimed that he was the Dinty Moore of the famous comic strip "Bringing Up Father" and that he owned the trademark Hormel was using for its beef stew. McManus came to The Hormel Company's defense by claiming that he derived the name Dinty Moore from a bell-hop in a St. Louis Hotel, and not from the name of the restaurant in New York City which, incidentally, McManus had visited on occasions. The issue was finally settled, and Hormel was given clear title to the Dinty Moore name.

Then, ironically, the product that came into being because of a surplus of cans was practically forced out of existence by Government restrictions on cans during the war years. Even more alarming was the fact that sales were slumping prior to the start of the war. It was obvious that a different market had developed since the end of the depression. With increased incomes, the tastes of the nation improved.

Thus, The Hormel Company decided to change the formula for Dinty Moore Beef Stew. The meat (Continued on page 12)



## DINTY MOORE - THE BIG MEAL IN THE BIG CAN!

This is a sample of an advertisement inserted by The Hormel Company in 1939 in the New York Journal-American to stimulate the sales of Dinty Moore Beef

Stew. Subsequent advertisements appeared periodically in the comic sections of this and other major daily newspapers in the United States.





Minnesota; and Stockton, California. These two production operations, however, adhere to the same formula so closely that blindfold taste-tests reveal no difference in taste between the products of each.

Another significant change was made in 1967 when a new label design was adopted. The "Hearty

Convenience with Substantial Quality" concept of this product is positively reflected in the new design. The bold, black casserole dish helps suggest wholesome and hearty goodness when pictured with the product in its appealing form and quantity. The Dinty Moore logo itself was modernized, but retained much of the familiar equity. The product name appears in the newly created Hormel alphabet, and the gingham background replaces the buckeye checkerboard background, resulting in a better quality effect.

Dinty Moore Beef Stew was born during the era of the Great Depression. With today's knowledgeable, affluent society, the transition to a new label design helps Hormel to make an appeal to the American consumer on a higher, more sophisticated level.

Today, as a testimony to its success, Dinty Moore has many rivals in the market place. Yet it continues to lead the field and is the largest selling canned stew. Dinty Moore enjoys broad distribution and can be found in almost all grocery stores—big or small—in the United States.

What originally started as a need to fill empty cans has become one of the most unusual product success stories ever told — proving once again that some of the best things in life are accidental.

(Continued from page 11)  
content was increased 50 percent. The meat, instead of being ground up with the vegetables, was diced and dropped into the cans in fairly large chunks, enabling people to see the meat.

The gravy was changed from a tomato-base to a meat-base. The carrots were sliced instead of diced. The can, meanwhile, was changed from blue-and-white to red-and-white for better visibility on the shelves.

#### **Rigid Quality Maintained**

The quality of Dinty Moore Beef

Stew is protected by meticulous control. Each of the raw materials that make up the ingredients is carefully checked against rigid purchase specifications. The meat is packed first and then each can is electronically scaled to insure the proper amount of meat in each can. The carrots and potatoes are also placed in the stew in accurate amounts, but the gravy, because it is actually made from meat and is the key to palatability, must be checked by actual taste tests. Dinty Moore Beef Stew is manufactured at two different plants — Owatonna,



# Little Sizzlers

Speed and convenience are the rules of the day in our space age. Keenly aware of this trend, the busy homemaker is always on the lookout for new ways to expedite meal preparation.

The Hormel Company, meanwhile, strives to produce and package meat products that will satisfy this present demand by today's housewives. Among many other delectable sausage items, Hormel Little Sizzlers have become steady favorites in many homes. They have a deliciously distinctive flavor that can be superbly combined with any breakfast meal. This product was the very first shoulder pork sausage on the market. Here, again, Hormel assumed the role of a leader in the industry.

## Little Sizzlers Begin To Sizzle

It was in May, 1961, that final approval was given to begin manufacturing the new item. The package design and the advertising schedule to be adopted were also agreed upon. The wheels were ready to commence turning in high gear as another new Hormel product entered the market.

Actually, the Little Sizzler story is somewhat older than this 1961 date. The same product had been marketed for two years under the prosaic name of "Hormel Skinless Pork Sausage Links." A meeting of managerial persons within The Hormel Company concluded that here was a product consumers would purchase in volume if it

were properly named, advertised, and merchandised. With these thoughts in mind, the next step was to select a magic, eye-catching name that would quickly lend itself to consumer appeal and advertising attractiveness. This became a major project.

A group of Company personnel from the sales, advertising, merchandising, and package designing departments huddled for the express purpose of arriving at a new name. Many "brain storming" sessions were held, and a number of possible product names were suggested. Finally, the name "Little Sizzlers" was proposed. The title was further researched to assure its ability to meet all the demands an outstanding product name faces. Little Sizzlers succeeded in meeting the rigid tests of colorfulness, drama, liveliness, and taste appeal. The name was fully approved by Hormel personnel with a ring of enthusiasm — even excitement.

The advertising agency working with The Hormel Company—Batten, Barton, Durstine & Osborn—began designing suitable type copy. Package designers submitted possible suggestions, and production lines were installed for ultimate manufacture of the product. Meanwhile, sales and merchandising persons were devising plans for the program to be presented to all salesmen in the field.

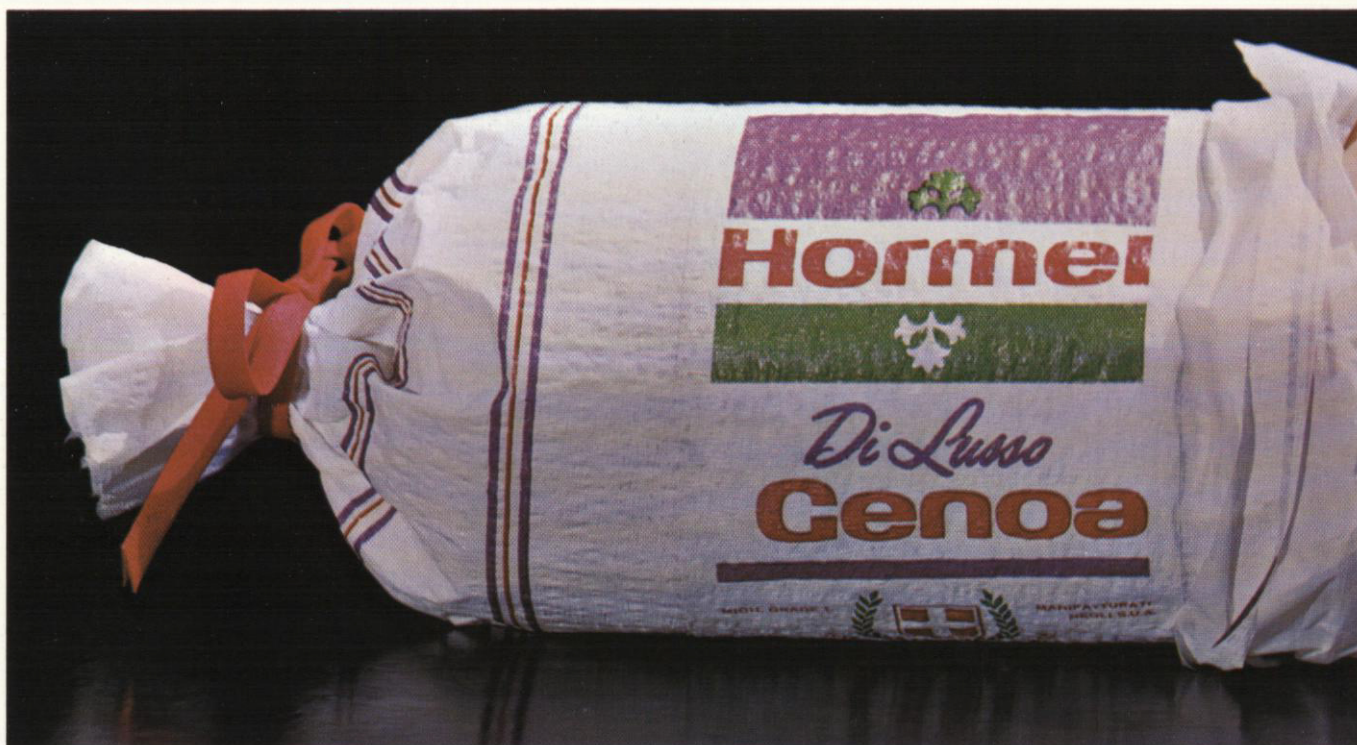
Advertising on the new Hormel product appeared in newspapers and magazines throughout most of 1961. Hormel salesmen began communicating their excitement concerning the new item to retail and wholesale customers throughout the country.

Results? Most satisfying! Consumers responded magnificently, and more Little Sizzlers sausage was sold in a five-week period than was previously sold during a year's time when the same product was manufactured under the name of Skinless Pork Sausage Links.

Excitement over this sausage product has been extremely high since it was first placed on the market. The results are encouraging. Hormel Company personnel will continue to "watch the smoke" from Little Sizzler sausage sales in the years ahead.







## **From the sausage makers of Hormel**

The production of Dry Sausage at The Hormel Company blends perfectly all the skill and craftsmanship of "Old World" sausage makers with the most modern techniques ever developed. Here, the finest of traditional products, famous for centuries in Europe and other parts of the world, are manufactured by sausage experts who have become "professionals" in their field. The various sizes and shapes of sausages produced by Hormel represent customs and traditions that have been handed down from father to son even prior to the discovery of America.

How did Americans come to enjoy sausage? Shortly preceding and immediately after the turn of the 20th Century, thousands upon thousands of immigrants made the voyage by boat past the Statue of Liberty and Ellis Island to New York City and the Eastern coast. These immense groups of people — all with different foreign backgrounds — brought to this country a taste for Old World delicacies which were not part of the culture of earlier immigrants.

These new sons and daughters brought with them an overwhelming demand for dry sausage products.

The Germans preferred Thuringer and Hard Salami. The Swedes enjoyed Goteberg; and the Italians, although liking many different varieties, considered Genoa Salami and Pepperoni as their particular favorites.

The Italians "clung" to their tastes for native foods to a larger extent than people of the other nationalities. These likes were transmitted to their American-born sons and daughters who, in turn, communicated their taste for Salami to their wives, husbands, relatives, and friends.

Catering to this Old World popu-





larity in foods is part of The Hormel Company's tradition. The famous line of Hormel Dry Sausage products has become extremely popular in the megalopolis that extends from Boston, Massachusetts, to Washington, D. C., and in all other populous centers of the United States where people of Italian and other foreign descents live in large numbers.

In the early days of the 1900's, when George A. Hormel was unknowingly building a foundation for what has become the fifth largest meat packer in the United States, he manufactured dry sausage products in his little retail meat market. Families from southern Minnesota and northern Iowa drove their wagons and carriages to this little Austin shop for the tasty German products which were produced by Hormel.

Growth was slow but constant during these early years, and The Hormel Company produced an increasing number of dry sausage items in limited quantities. It wasn't until 1915 that a concentrated effort was begun to further increase sales. Business expanded rapidly, and the consumer demand spread to the

Eastern coast and then to other regions of the country as well.

Individual tastes for foods vary widely. The Hormel Company caters to the unique desires of ethnic groups by producing 45 different dry sausage products. Five of these have developed considerable popularity in America — Di Lusso Genoa Salami, Pepperoni, German Hard Salami, Thuringer, and Prosciutto Ham. Only one will be described here — Di Lusso Genoa Salami.

The word "Di Lusso," when translated from the Italian language, means "De Luxe." A better name could not have been selected to describe The Hormel Company's prime grade of Genoa Salami, a specific sausage originally produced in and named after the historic city of Genoa in Northern Italy.

Only the finest raw materials are used in the manufacture of Genoa Salami. Specially selected, carefully trimmed lean pork and beef are the major ingredients. A mild, almost naturally flavored product, Genoa is seasoned with the choicest spices obtained from the Orient. A touch of garlic is blended with these

spices to produce a smooth, pleasing flavor.

Fresh sausages — wieners, luncheon meats, etc. — are cured quickly, finely chopped, precooked, and are seen on supermarket shelves within a few days from the start of manufacture. Di Lusso Genoa, however, is coarsely chopped, air dried, slowly cured, and ripened with age similar to the method of making superior cheese and wine.

It takes approximately 90 days for Di Lusso Genoa Salami to reach prime age. Perfect conditions prevail in The Hormel Company's large drying rooms where temperatures and humidity are constantly checked and maintained. It is only through this time-consuming aging and curing process that the full flavor of Di Lusso Genoa can be attained.

Dry Sausage manufacturing comprises a procession of painstakingly careful operations from meat selection, retrimming, blending, chopping, spicing and roping, through the curing and aging processes.

One traditional, but highly unusual, operation is the "stringing" (Continued on page 16)



(Continued from page 15)  
roping" or cording of the product. The earliest sausage makers in and around the city of Genoa hung their sausage to dry from the rafters of their houses. "String-roping" is applied in a series of half hitches running around the sausage for its entire length. This preserves the conformation of the sausage and "cradles" it in such a way that the casing is not pulled away from the meat. Other styles of tying a cord

around the sausage were adopted in various areas, and each style became a custom for the type of sausage made in that particular area.

The Hormel Company's Di Lusso Genoa Salami is heartily enjoyed wherever Italian people have settled in this country. The popularity is significantly broader, however. Americans and other non-Italians use Genoa Salami as a night-time

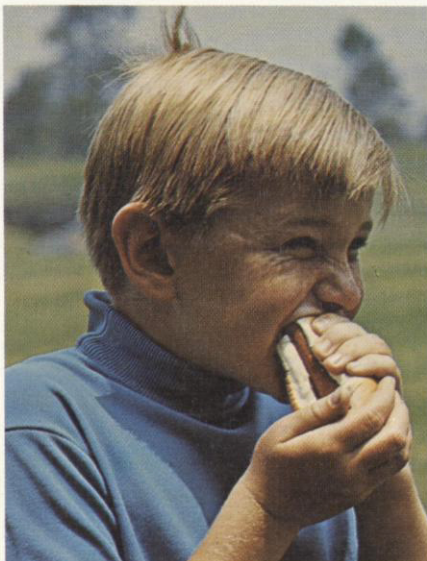
snack, as a sandwich meat, for hors d'oeuvres, or as a meat ingredient for a tossed salad.

The history of Dry Sausage is an ancient story and, yet, it is a modern one. An outgrowth of the Middle Ages, many of the traditions have been retained, giving distinction to this famous line of Hormel products. With the consumer demand still on the upswing, it is anticipated that the history of Dry Sausage has just begun!





# THE "ALL AMERICAN" HOT DOG



So whom do you believe?

Some people claim the first cylindrical meaty smoked sausage was made in Vienna, Austria, in 1852, hence the name "wiener." Then there is the school of hot dog historians who just as firmly believe that this sausage originated in Frankfurt on Main, Germany, about the same time, thus the name "frankfurter."

One thing that is known for sure is that here in the United States, hot dogs are good eating. It is estimated that Americans will consume some 12 billion, or more than 80 hot dogs per person, during the year. No wonder the hot dog retains its title as the most popular sandwich ever introduced.

The Hormel Company manufactures wieners at eight different locations: Austin, Minnesota; Fremont, Nebraska; Los Angeles, California; Houston, Texas; Seattle, Washington; Fresno, California; Atlanta, Georgia; and Birmingham, Alabama.

Within the past several years, Hormel has greatly increased its production capacity to further meet the great demand for this popular meat product. A new forward-flowing continuous wiener processing line is operating regularly at many Company locations. Uniformity of product as to flavor, taste, color, and size is assured through strict quality control.

## Birth Of The Hot Dog

Just how did the "All-American

hot dog" originate and become a family favorite? There is some lively controversy as to where and how this product was "born."

It's generally agreed that the wiener — or frankfurter — without bun made its American debut in 1871 at Coney Island, and it is fitting that this amusement center should still lay claim to having the world's largest hot dog stand.

As far as the hot dog itself is concerned, it is believed to have originated in St. Louis in 1883 when a peddler, A. L. Feuchtwanger, started the practice of selling sausage in a split, buttered bun. The most popular notion is that the bun was introduced out of dire financial necessity since, up until then, Feuchtwanger had been providing his customers with white mitts to keep from burning their hands while eating the heated sausages. When his profits began slipping away at a rate equal to the disappearance of the mitts, he prevailed upon his brother-in-law, a baker, to design a bun to fit around the little long meat product, known in St. Louis in those days as a "wienerwurst."

Despite the European ancestry, nothing is more American than a hot dog—unless it's baseball. But it was not that great American game which produced the phrase "hot dog." It happened at a football game. A concessionaire at the Polo Grounds in New York thought that the fans would like a hot dish to

supplement their peanuts and pop diet. He decided upon "dachshund" sausages and devised portable tanks to keep them hot while his vendors roamed the stands.

And it was during this flurry of activity in the stands that the popular nickname was attached to the red hots. Tad Dorgan, a sports humorist and cartoonist, was a spectator that day in 1900 and, intrigued by the red hot dachshund sausages, developed a cartoon on the theme. Hurriedly writing the caption to meet his newspaper's deadline, he realized that he couldn't spell "dachshund" and titled his artwork, "Hot Dog."

Well over three miles of Hormel wieners can be produced each hour at the Austin, Minnesota, plant alone. With this strictly modern, continuous line, controlled process, consumers are assured of receiving a high-quality wiener manufactured under rigid sanitary conditions. Hormel wieners are never touched by human hands at any time during the manufacturing operations.

The American hot dog will always remain All-American as long as Hormel continues to produce the plump and juicy wieners. There may be controversy as to where and how the hot dog originated, but there is no dispute that Hormel, today, has the reputation of creating a distinctive fresh taste and flavor in its wieners. It is a proven fact!



# Dinty Moore® meat ball stew

In a marketing strategy to **MEAT** all consumer needs, The Hormel Company continued its long-standing position of being on the **BALL** by recently introducing a **STEW** that is destined to become a family favorite all over America.

The product is Dinty Moore Meat Ball Stew, a worthy running mate for the extremely popular Dinty Moore Beef Stew — already the largest selling stew in the Nation today.

The Hormel Company marketed this new food item as part of a continuing program to develop convenience foods which will fit a busy homemaker's pattern of living.

The perennial problem of what to offer the children for lunch is quickly answered by this new meat-ball stew.

This tasty stew is made with real meat gravy. The gravy actually has little bits of meat in it which carries the hearty meat flavor throughout. The meatballs are especially

made to appeal to children. Shaped "homemade style," a little on the lumpy side, the good beefy taste of hamburger is readily apparent.

Firm chunks of Red River Valley potatoes and tender carrots comprise the ingredients, except for a touch of spice. It's a light touch, reflecting the youngsters' preference for not-too-spicy foods. All of these built-in advantages are sure to please today's busy housewives.

After many months of controlled research, preliminary discussions and planning, a test-marketing program on Dinty Moore Meat Ball Stew was implemented in the southeastern United States. Eight states in this region — Kentucky, North and South Carolina, Tennessee, Georgia, Alabama, Florida, and Louisiana — had been classified as a good canned beef stew consumption region. This was a growing stew market, the research showed, and potential for house-

wives in the region to accept a new stew item seemed bright. It was natural for The Hormel Company to commence its test market program in this locality.

The results were gratifying, and a "rolling" schedule leading to national distribution was begun later that year with additional test markets opening in San Francisco, California; Minneapolis, Minnesota; Boston, Massachusetts; Houston, Texas; and other key U. S. cities.

Advertisements were soon placed in over 200 newspapers, reaching approximately 85 per cent of the American people. Black-and-white introductory advertisements were followed by spectacular four-color insertions. A 25 cent reward offer was made to those people willing to try the new Hormel product.

Homemakers were pleased with the complete meal in a can concept originated by the Company. Meat, potatoes, vegetables, and meat gravy, it is a hearty meal in itself, ready in minutes.

Since the start of national distribution, Dinty Moore Meat Ball Stew has showed signs of becoming a consumer favorite at mealtime — similar to the story of its "brother" product — Dinty Moore Beef Stew.







## MEAT SPREADS



Ahhh! Mmmm! Saay! Oooh! Great for snacks, dips, or sandwiches, the Hormel Meat Spreads are becoming increasingly popular with men and women and boys and girls of all ages.

Four Hormel all-meat spreads are pictured in this feature. This group includes SPAM Spread, Deviled Ham, Potted Meat Food Product, and Old Smokehouse Brand Meat Spread. These smoothly ground and easy-to-spread items are manufactured with a blend of natural spices and seasonings, resulting in special flavors that appeal to hors d'oeuvre lovers.

Let's review each one individually.

**\*SPAM Spread** — A newcomer to the "Hormel Family of Spreads," this product began national distribution in October, 1962. It is a special blend of pure pork shoulder and Hormel Ham, with selected seasonings ground delicately smooth for

sandwiches, snacks, and canapes.

Delicious in itself, SPAM Spread also combines happily with a number of other popular foods such as relishes, eggs, and cheese.

**\*Deviled Ham** — An exceptional product made from 100 per cent fresh Hormel Hams, cured, smoked, ground, and delicately seasoned. This product's adaptability for numerous uses closely parallels that of all other Hormel spread items.

Introduced nationally in 1940, Deviled Ham is a forerunner of all Hormel spread products.

**\*Potted Meat Food Product** — A well-seasoned blend of cooked beef hearts, beef tripe, and cured ham meat. Joining the Hormel Family of Fine Food Products in 1948, Potted Meat Food Product has long been popular by consumers because of its unique taste.

**\*Old Smokehouse Meat Spread** — A truly sumptuous spread product made with a specially blended variety of deviled ham and pure pork shoulder meat with a true, tantalizing hickory aroma and flavor.

This distinctive smoke-flavored product came into being in 1949.

SPAM Spread, Deviled Ham, Potted Meat Product, and Old Smokehouse Meat Spread are all packaged in aluminum cans with an E-Z open feature. The large grip tab placed at the top of the container provides the most satisfactory method ever designed for consumers' convenience and ease of opening. These light-weight, lift-top cans are very popular.

The Hormel "Big 4" can be used in a variety of ways by housewives as snacks, canapes, sandwiches, on crackers, or as a favorite in casseroles.

The versatility of the "Hormel Family of Spreads" is unexcelled!





## Hang the expense . . . THIS IS REAL CHILI

A product can be compared to that of a school quiz — each is graded on performance. If the product fails to measure high enough, the grade is not met and quiet burial rites are performed on the food item.

Hormel Chili, however, serves as a classic example of the many Hormel Company products that have succeeded in "making the grade." Through superior quality and performance, Hormel Chili has become the largest selling brand of chili in the world today! Repeatedly tested by consumers every day, it has passed the roughest exam of all — consumer acceptance.

### The Exciting History Of Hormel Chili

Since The Hormel Company's founding in November, 1891, and continuing on through the past three-quarters-of-a-century, there has been a venerable habit to take a commonplace item and make a deluxe food product out of it. It's the same quality story with Hormel Chili.

Hormel started work on the development of a quality chili in 1930. One year later an excellent formula was created. A concentrated selling program was launched and aimed directly at Minnesota, Wisconsin, and neighboring states. Chili had enjoyed a wide eating reputation in the South, Southwest, and far West, but many persons doubted the possibility of selling this product in large volumes in the Midwest and, in particular, to the Scandinavians and Germans of Minnesota and Wisconsin, respectively. Consumers readily accepted the new and different taste treat and, as a result, another food merchandising success story at Hormel was realized.

Additional markets were opened as the production and demand of the product increased. Now the No. 1 selling chili item in America, the trademarks of Hormel Chili's success are high quality, plus effective merchandising of an idea. It is in keeping with the Hormel quality tradition that this particular food item also reached the very top.

### The Manufacturing Story

Carefully selected beef, choice red Idaho beans, vine-ripened tomatoes, and exotic oriental spices are the rich blend of ingredients used in the manufacture of Hormel Chili. Simmered slowly to bring out the real honest-to-goodness flavor, the zesty aroma and tangy taste of this Hormel product are unparalleled. This is chili that meets the highest standards of quality and nutrition.

Ground fresh, boneless beef is mixed with the chili sauce to obtain the meaty flavor and characteristic appearance of the product. The result is succulent "beef chunks" which are evenly distributed throughout the can.

Only choice, plump, red Idaho beans are used in Hormel Chili. These selected beans are sorted through an automatic sorting machine for uniformity. The beans are fed onto a conveyor for a final visual inspection and are then sent to a washer for removal of dust or any other foreign materials. After





this thorough washing, the beans are placed in the can so they, too, might absorb the flavor of the chili sauce in which they are cooked.

Certainly a key to the palatability of Hormel Chili is its secret blend of rare exotic spices and the rich, tangy chili sauce made from vine-ripened tomatoes. Along with the beef and Idaho beans, these ingredients are cooked in The Hormel Company's famous "open kettle"

process. These modern, stainless steel units expertly cook the Hormel Chili.

There is a "quality" story to tell when conversations revolve around Hormel Chili. Often competing with as many as 25 different brands in local markets, Hormel still maintains its leadership in volume and share of total sales.

There is no chili product being marketed today that has developed

such a strong built-in sales history and a strong consumer acceptance, plus such an enviable reputation, as Hormel Chili. No longer is chili just a favorite in the South, Southwest and far West. Hormel Chili enjoys popularity throughout the Nation.

Another deluxe food product was, indeed, manufactured from what was once considered a "common-place" item.



New designs in packaging continue to play an important part in attracting consumers to purchase the many "self-service" luncheon meats available today.

After two years of development with the American Can Company, The Hormel Company introduced an entirely new packaging concept for its line of luncheon meats. The name "Re-Seal" was born. Hormel became the first meat packer to introduce this new package with its many advantageous features.

The major features of the new

luncheon meat package were as follows:

1. A high-vacuum package. Tight as a coffee can, it keeps the product fresh.
2. Easy to open.
3. The package can be resealed after the consumer has used a few slices. The remaining portion will be kept fresh and moist for a longer period of time.
4. It is more convenient since the housewife does not have to wrap the remaining slices in

paper or foil for storage in the refrigerator.

5. The moulded plastic container is strong and durable and can withstand rough handling without breaking or tearing.

Since the original package discovery, Perma-Fresh has been introduced, a new and improved re-sealable package used in the marketing of all Hormel luncheon meats. This latest innovation is far superior to any other luncheon meat package on the market, and for a number of reasons.

It has a stronger seal to aid in maintaining freshness and flavor, and a reinforced plastic bubble and pull tab for easier opening. The new yellow plastic base contributes immeasurably to the attractive, eye-appealing package.

These are but some of the advantages that are now associated with any of the 19 luncheon meats now packaged in the new Hormel Perma-Fresh package. These conveniently presliced meats are completely vacuum-sealed to assure freshness and flavor.

The Hormel Family of Luncheon Meats includes:

- Cooked Ham
- Black Peppered Ham
- Red Peppered Ham
- Liver Loaf
- Jellied Beef Loaf
- All Meat Bologna
- All Beef Bologna
- Olive Loaf
- Pickle Loaf
- Buffet Loaf
- Corned Beef Loaf
- New England Brand luncheon meat
- Spiced luncheon meat
- Ham and Cheese Loaf
- Chopped Ham
- B-B-Q Loaf
- Summer Sausage
- Cotto Salami
- Breast of Turkey

These handy-sized, clear packages have proven to be remarkably successful. Since its addition to the Hormel line of Fine Food Products, the versatile luncheon meats have assumed an important place in the Company's growth picture. The research and development which led to the Perma-Fresh package have contributed materially to the popularity of these products.



## LUNCHEON MEATS RIGHT IN YOUR OWN HOME





# Hormel BACON

"Bring home the bacon" is a saying that has been associated with the old custom of awarding a pig to the winner of a greased-pig chase. The man who caught the slippery animal literally brought bacon home from the fair.

Today, when you "bring home the bacon," you are actually bringing a package of versatility. Not only are there countless uses for this consumer-liked product, but there is variety in the kinds you can buy.

Just as Hormel has always been in the forefront with new ideas — first meat packer to produce canned ham; first with a 12-ounce luncheon meat called SPAM; and first to develop and use humane slaughter, so has our Company come forward with a wide selection of top-quality bacon items.

## The Story of Bacon

It's a long, long way from the pig to the crisp bacon used every day on American menus. What originally comes from the hog isn't what you'd call bacon at all — not at first, anyway. At Hormel . . . bacon requires a lot of "post-graduate" work before it's ready to cook.

The first step is the selection of choice sides or "bellies" from government-inspected porkers which have already been dressed

and chilled. Firmness of meat size, and proportion of lean and fat are three sought-after standards in good pork sides.

Skilled workmen carefully trim the bacon "bellies" into the proper size and shape. The trimmings of the less desirable ends and removal of the fat back leaves the choicest portion of meat for the manufacture of bacon. The sides are then graded for quality and separated into two-pound weight averages.

The side skins of the porkers are used for the production of Hush Puppies shoes, hats, and gloves. It is during this segment of our bacon story that the skins are removed. All this work is expertly done — first, to minimize injury to the skin and, second, to guard the skin from decay.

## Curing Produces Great Flavor

Next comes the curing. The special curing formula used at Hormel gives the bacon a delectable flavor. The "bellies" are sent through a pumping machine where the curing solution is injected by needles. This "injecto" method evenly distributes the cure in accurately-controlled proportions.

After the curing process, the "bellies" go through the Smokehouse Wash. Then hung on "bacon tree" racks and moved into the

Smokehouse, a hard wood smoke at carefully guarded temperatures and humidities gives the bacon a mouth-watering fragrance and eye-appealing color.

Now given a thorough chilling and then held under constant refrigeration, the bacon moves to the molding machines for forming into just the right shape for slicing. A high-speed circular knife cleanly slices the bacon into uniform thickness — approximately 20 slices per second.

The single slices of bacon move onto a conveyor belt in good shingle formation. It is divided into measured proportions and passes by scalers who inspect quality and weigh each package, adding or subtracting the number of slices until the weight corresponds with the correct guarantee appearing on the package. The bacon is then packaged into cartons and given a final inspection.

## Brands Of Bacon Available

The wide selection of Hormel bacon that is featured in the meat counters today is in response to the many consumer demands for variations in the amount of cure and smoke, and for the many requests made for different thicknesses and grades of bacon. Hormel has always been dedicated to satisfying the discriminating tastes of all consumers.

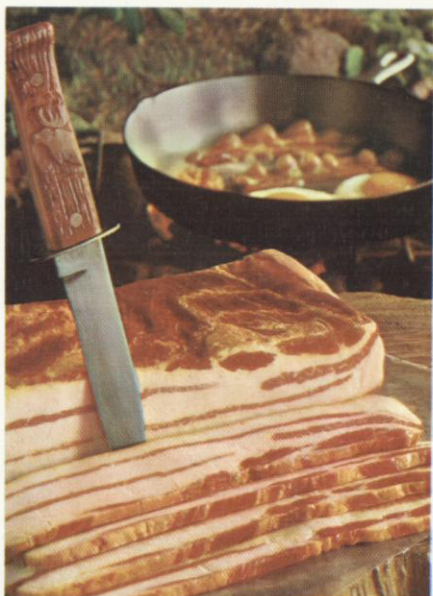
You are likely to be surprised at the many different varieties of bacon manufactured at Hormel.

**\*Black Label Bacon** — Hormel's finest regular-sliced bacon in the handsome black package. Ultra-quality bacon, lean, firm, smokehouse fresh.

**\*Range Brand Bacon** — Thick-sliced bacon, cut thick on purpose. Has the savor of woodsmoke in every bite.

**\*Old Smokehouse Bacon** — A gourmet's delight. An extra rich, quality bacon that requires an old-fashioned long cure to give it a distinct taste.

These three major varieties, plus others, differ in degree of thickness, amounts of cure, and grades of bacon. Regardless of which particular bacon item you purchase, you can be sure of receiving lean bacon with a wonderful fragrance and taste captured in every slice.





# Mary Kitchen

## ROAST BEEF HASH CORNED BEEF HASH

How does it taste? Is the product nutritious, appetizing, and wholesome? These are, perhaps, the foremost questions asked about any and all products. The Hormel Company's desire to please the judge — today's consumers — has resulted in the manufacture and distribution of many fresh, attractively packaged, quality food items.

Included in this category is the Mary Kitchen Roast Beef and

Mary Kitchen Corned Beef Hash. Exhaustive efforts to produce a "home-made" hash started nearly two decades ago.

Jay C. Hormel, late chairman of the board, once commented: "Hash is hash when it comes from tin cans. It's just a gooey block of over-cooked meat and sticky potatoes. I like it home-like, with chewy beef and diced potatoes, and moist enough so that it eats well."

It was from this rough recipe delivered in early 1950 that The Hormel Company began earnestly to develop a good homestyle hash that would eventually satisfy all connoisseurs. Well over a year was spent in arriving at this much-sought-after formula.

### Oven Posed Problems

The first problem encountered was the designing of an oven large enough to roast huge volumes of beef while, at the same time, preserving the savory juices before putting the product into the can.

Research and Development Department personnel visited the "auto capital of the world," Detroit, Michigan, to witness first-hand their methods of baking enamel on automobile bodies. It was felt this same principal could be applied in the roasting of meat for Mary Kitchen Roast Beef and Mary Kitchen Corned Beef Hash.

After a thorough inspection of this aspect of the automobile assembly, and a careful study of any possible designing problems, it was decided to give the "green light" and proceed with the construction of such an oven. After a long series of experiments, this special oven was devised with a gold lining — the first one of its kind. It was ascertained that the reflection of gold was almost 60 per cent as great as the heat reflection that came from infra-red lights itself. Thus, the oven was lined with 1,250

watt bulbs and gold-plated reflectors which were capable of roasting more than a half-ton of meat to a crusty brown.

Hormel was now ready to begin tapping the mass market for a good "home-made" hash. (It has since been modified with improved reflectors and new-style infra-red heating units. Personnel in the Hormel Engineering Department are now working on an improved roaster which will greatly enhance efficiency and improve production in the Mary Kitchen Department).

### Hash That Grandmother Never Could Match

The principle applied in the preparation of this high-quality item is the same utilized extensively for many years in noted restaurant kitchens throughout the country. Simply, that is to take roasted beef with its natural juices, grind it into tender morsels, and, then, blend with small cubes of firm Idaho potatoes and selected seasonings.

In the preparation of Mary Kitchen Roast Beef Hash, fresh chunked beef is roasted to a beautiful brown and, through an exclusive Hormel process, all of the rich, savory juices are retained. It takes about 19 minutes for the fresh beef to move through the 42-foot oven.

One of The Hormel Company's secrets in making good hash is not to begin with "leftovers" as grandmother did. Instead, the juicy, well-marbled beef is used and roasted to a "T" in this unique infra-red broiler. The seasonings are Hormel's own private secret. But the real clue to making any successful product is to start with simple, well-selected ingredients, and make them come out tempting, tasty, and different.

At the conclusion of the roasting process, the beef is mixed with another gourmet delight — delicious little cubes of Idaho potatoes. These uniform sized potato cubes





absorb and retain the rich meat juices and flavor when added to the can.

#### **Corned Beef Hash**

This product differs from Mary Kitchen Roast Beef Hash in that the fresh beef is cured instead of roasted. With this lone exception, the entire manufacturing process for both products is identical.

Both Mary Kitchen Roast Beef Hash and Corned Beef Hash were first marketed in 1951 on the West Coast with localized advertising in the Los Angeles and San Francisco markets. As consumer acceptance

increased, additional markets were opened across the Nation which was simultaneously instituting other local and regional advertising. Each product is now established under its own respected name. Each has a personality that is very familiar to the consumer.

In addition to the 15 oz. size, Hormel also produces a smaller 7½ ounce can for the young adult segment of today's population and for older age persons who are seeking individual servings, plus convenient, easy-to-prepare meals. The wide demand by vending machine

operators, caterers, and institutional houses for a "one serving" size can adds further impetus for the 7½-ounce size.

Products are evaluated every day by the consuming public. The tasty beef, diced potatoes, and "natural pan" juices requested by Jay C. Hormel in 1950 have long been perfected. Hormel caters to good taste in American kitchens and dining rooms by continuing to develop good "home-made" items like the original Mary Kitchen Roast Beef and Mary Kitchen Corned Beef Hash.





# This is **Hormel**



**Austin, Minnesota**

The three largest Hormel Company plants are pictured here. Beef and pork slaughtering and pro-

The story behind the growth and development of The Hormel Company is probably one of the most unique among major industrial firms in the United States today. Founded during the time of a depression, a small abandoned creamery served as the original plant site.

The year was 1891. Considerable activity was taking place in this former creamery building which



**Original 1891 Plant.**

was located across the Red Cedar River in Austin, Minnesota. But not even those men who were working long hours in the reconstruction of the old structure were able to perceive that a business, one well-known and highly regarded today, was about to be born.

This enterprise — The Hormel Company — was in its infancy over three-quarters of a century ago, but is the fifth largest meat packer in the country today. It has since grown into one of stature with annual sales of over a half billion dollars and with products reaching

every corner of the globe. Over 8,000 persons are employed at various plant and sales office locations throughout the United States. During this period, Hormel has achieved recognition and praise as a leader in the meat packing industry.

When George A. Hormel first opened his small slaughtering plant, he insisted upon honesty and integrity in all dealings, upon uncompromising quality of product and thereby was laid a remarkably sound foundation. He licked his first great obstacle — a severe economic depression — by the most effective weapon American business has ever found — a better product.

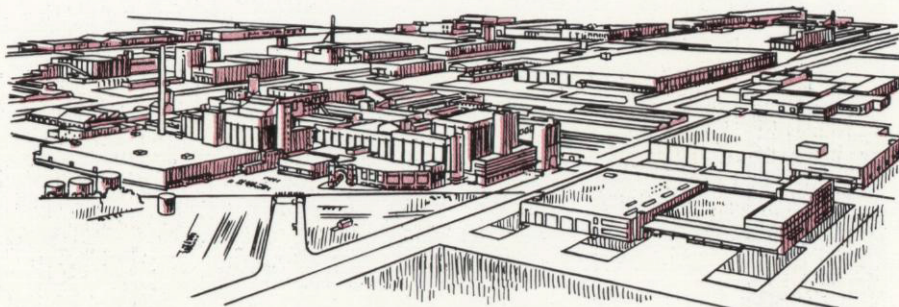
The truly remarkable growth of this firm can best be shown when comparing several important statistics. In 1892, 610 hogs were slaughtered by George Hormel and his handful of employees. There are now over 4,000,000 hogs slaughtered annually. Annual sales have jumped

from a few thousand dollars to over a half billion during this same period.

Hormel was the first meat packer in this country to produce a canned ham. The year was 1926 and the "Hormel Flavor-Sealed Ham" was an instant success. Eleven years later, in 1937, another first was scored when a 12 oz. luncheon meat called SPAM was placed on the market. This product is the largest selling brand of consumer canned meats in the world today!

Hormel Dinty Moore Beef Stew is the best selling canned stew in the country; Hormel Chili is another leading canned meat seller; it's also No. 1. In addition, Hormel is recognized as one of the largest and foremost manufacturers of quality Dry Sausage. Hormel products now number well over 750.

This Company, with an almost unnoticed start, has other industry FIRSTS to its credit, including the first meat packer (and only one to date) to have an annual wage plan,



**COMPOSITE OF GEO. A. HORMEL & CO. PLANTS**





**Fremont, Nebraska**

cessing operations are located in Austin, Minn., and Fremont, Neb. A pork slaughtering plant is based in



**Fort Dodge, Iowa**

Fort Dodge, Iowa. The Hormel Company has a total payroll of well over 8,000 persons.

and the first meat packer to develop and use humane slaughter.

The Company's various accomplishments read like a "story-book." In innumerable instances, this success can be directed to the unique capabilities and willingness to work of thousands of loyal and devoted men and women. Their many substantial contributions have figured immeasurably in the many advances enjoyed by Hormel. It took several thousand persons working jointly to help build this impressive Company.

The map on page 28 shows that Hormel has grown to include nine slaughtering operations, and 18 distribution plants. There are Grocery Products and Meat Products district sales offices — 50 altogether — strategically located throughout the United States. Licensing arrangements in four foreign countries — Canada, Venezuela, England and Ireland — have been established for the manufacture and distribution of special products. Hormel Fine Food

Products are sold in all 50 states and in 63 foreign countries.

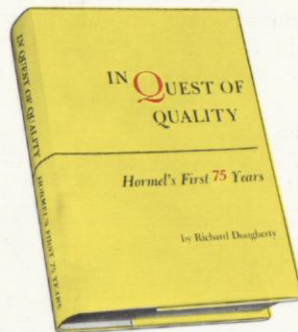
Since 1891, The Hormel Company has received considerable recognition in the industry. There have been many traditions and innovations established that have helped Hormel to show a steady gain in total dollar sales and earnings. Greater emphasis has been given to packaging, advertising, and research and quality control with the results that Hormel now stands as one of the nation's leading meat packers.

Here is a classic example of the rich benefits of the free enterprise system in the United States. Where else but in this country could one man, George A. Hormel, in 1891, start a business in an abandoned creamery, and have it grow so that it now offers jobs for 8,000 persons and their families, while helping to feed the nation with wholesome and nourishing food products? Because of this privilege, Hormel has enjoyed packinghouse progress for three-quarters of a century!



**Hormel Corporate Offices**

The Hormel Company's Corporate Offices are located in Austin, Minn. Over 120 persons from the administration staff are housed in this modern building.



If you enjoyed reading this Hormel Highlights book, you might also be interested in purchasing a copy of "In Quest of Quality." This 372-page book tells the complete story of The Hormel Company. It describes George A. Hormel's ancestors in the "old country", his early life in Toledo, Chicago, and Des Moines; his decision to start a packinghouse in an abandoned creamery in Austin; and his success despite near catastrophe. It tells about Jay C. Hormel and his monumental contributions to the Company and the industry, and about their Company successors and the many others associated with them over the years.

To obtain your copy, send \$3.95, plus 25 cents for mailing costs to:

**Nemitz's Book & Tobacco Store**

**Austin, Minnesota 55912**

Please allow two weeks for delivery.



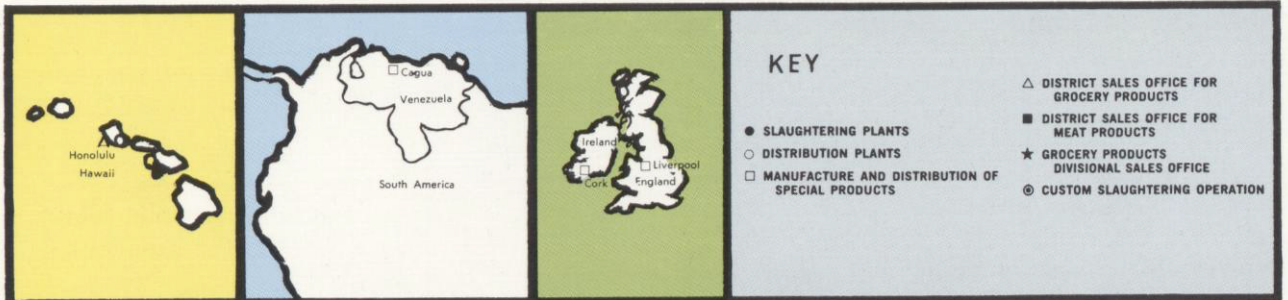
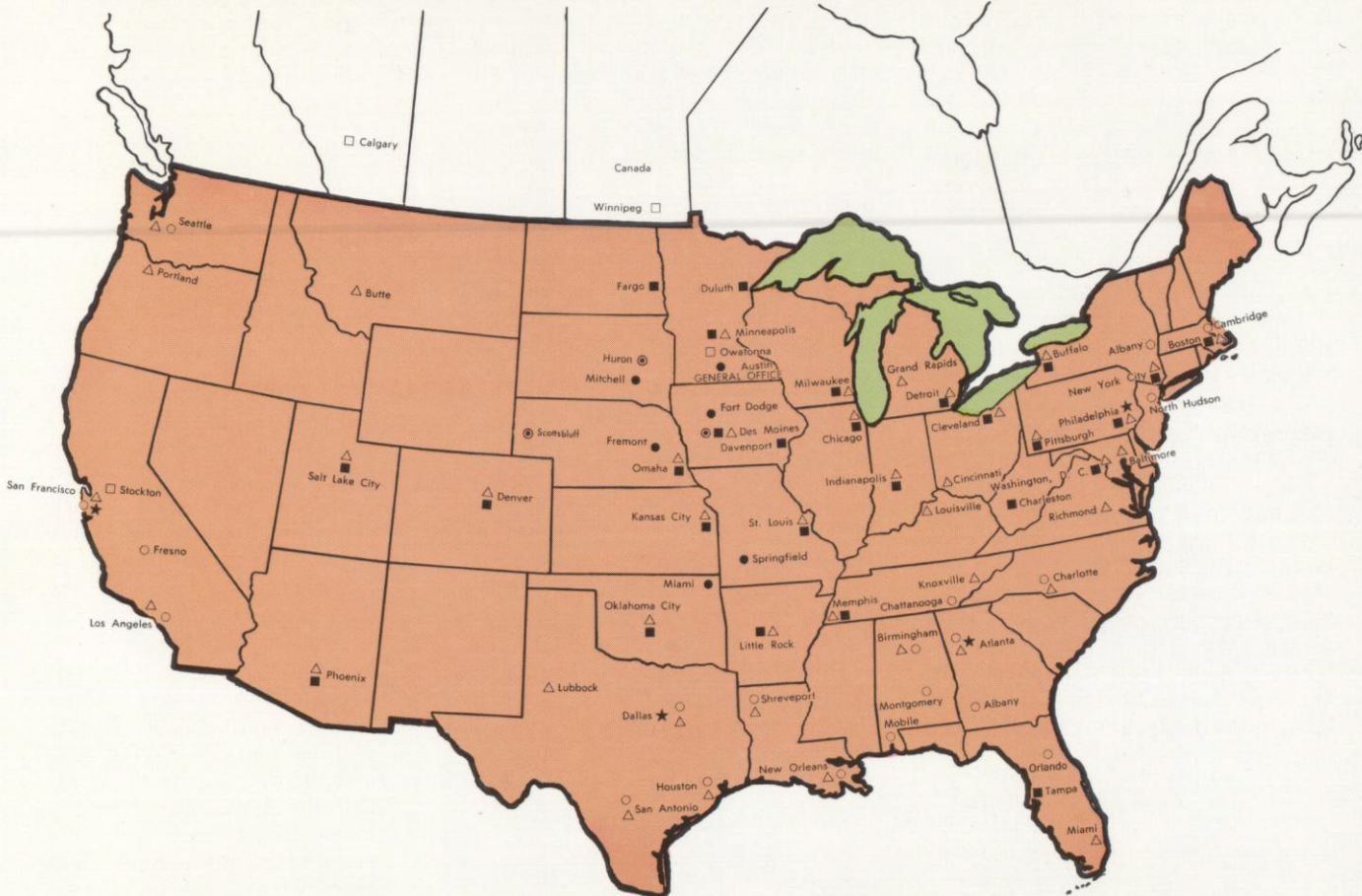
In 1891, the Geo. A. Hormel & Co. occupied a minuscule dot in the United States. The site was Austin, Minnesota.

Today, a world atlas and an adding machine would be helpful in locating and recording the number of Hormel dots (or plants).

From one plant with a handful of employees, Hormel has become the fifth largest meat packer, employing over 8,000 persons. Undoubtedly, the face of Hormel will continue to change.



## THE CHANGING FACE OF













## 1969 HIGHLIGHTS

\*Net earnings were a record high.

\*Total dollar sales surpassed \$600 million.

\*Quarterly dividend rate increased to 35¢ per share.

Net Sales .....	\$626,017,304
Net Earnings after taxes .....	\$ 9,235,601
Per Share of Common Stock .....	\$3.88
Per Dollar of Sales .....	1.48%
Dividends to Stockholders .....	\$ 2,975,310
Per Share .....	\$1.25
Capital Expenditures .....	\$ 10,470,746
Depreciation .....	\$ 3,829,716
Working Capital .....	\$ 39,338,900
Stockholders' Equity .....	\$ 76,480,461



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## NOTICE OF ANNUAL MEETING

The annual meeting of shareholders will be held at 8 p.m., Tuesday, January 27, 1970, in the Austin High School Auditorium, Austin, Minnesota. It is important that your stock be represented. If you are unable to attend the meeting, please sign the proxy and return it promptly in the self-addressed envelope which accompanies this Annual Report.



CLEVELAND PUBLIC LIBRARY  
BUSINESS INF. BUR.  
CORPORATION FILE

Austin, Minnesota  
January 5, 1970

## TO THE SHAREHOLDERS OF GEO. A. HORMEL & COMPANY

The year 1969 was a good one for Geo. A. Hormel & Company by any standard of measurement. Record high sales, earnings and dividend distributions truly indicate that 1969 was a year of positive growth and dynamic change.

This Annual Report brings you the results of the Company's performance for the fiscal year which ended on October 25, 1969, and provides additional background information concerning your Company. Special attention has been devoted to the many factors which contributed to our program of planned growth.

The Report acquaints you with past year's marketing successes, about current and projected capital improvements; and about some of our people whose talents and abilities have made this progress possible. Supplementing this information is a colorful 28-page booklet entitled "Filling a Nation's Needs" which was developed to stimulate greater interest in the Company's various product lines.

We plan for a continuation of the growth in sales and earnings for 1970. With more limited numbers of livestock (particularly hogs) available, we know that our objectives will be accomplished only with special effort. We are confident that the shareholders and employees who have invested their funds and their careers in The Hormel Company can look forward with assurance.



Board Chairman M. B. Thompson  
(seated) and President I. J. Holton.



*M. B. Thompson*

*I. J. Holton*



## MANAGEMENT CHANGES

THE SUCCESS OF ANY BUSINESS DEPENDS HEAVILY UPON THE SKILLS, ATTITUDES AND LEADERSHIP QUALITIES OF ITS PEOPLE. THESE CHARACTERISTICS HAVE SPURRED THE HORMEL COMPANY'S GROWTH IN THE PAST AND WILL LEAD TO STILL GREATER PROGRESS IN THE YEARS AHEAD.

A number of major changes occurred in the Company's corporate structure during the past fiscal year.

Robert F. Gray ended a 42-year Hormel business career with his resignation as Chairman of the Board in August, 1969. He had served as Chief Executive Officer during the past 15 years, first as President and then as Chairman of the Board. His unique contribution is reflected by the healthy growth enjoyed by the Company during the years of his effective leadership. His decision to remain on the Board of Directors will enable the Company to continue to benefit from his knowledge, broad experience and wise counsel.

Three senior management people have retired in recent months. They were E. J. Garrity, vice president; E. H. Flitton, vice president; and O. L. Marquesen, director and manager of the Fort Dodge (Iowa) plant.

James C. Hormel resigned as a director as a result of certain proposals relating to foundations which appeared in tax reform legislation adopted by the House of Representatives.

M. B. Thompson, President, was elected to succeed Mr. Gray as Chairman of the Board. He continues to serve as Chief Executive Officer. I. J. Holton relinquished his position as Executive Vice President and Secretary to become the Company's sixth President.

Three Group Vice Presidents were named and assigned expanded responsibilities. This included Raymond J. Asp, Group Vice President, Prepared Foods; Harold B. Butler, Group Vice President, Operations; and L. D. Housewright, Jr., Group Vice President, Meat Products.

Still other changes were made: N. D. Gahagen was elected a Vice President. He is responsible for Distribution Plants and Route Car Sales. E. C. Alsaker and Charles D. Nyberg were elected Treasurer and Secretary of the Company, respectively. Walter B. Stevens and Robert J. Thatcher were named Assistant Treasurers and Don J. Hodapp and Richard W. Schlange were advanced to Assistant Controllers.

Alsaker, Asp and Housewright were also elected to the Hormel Board of Directors, along with Sherwood O. Berg, Dean of the Institute of Agriculture, University of Minnesota.

The achievements of 1969 would not have been possible without the dedication, skill and initiative of all of the more than 8,000 Hormel employees — some of whom were pictured in the last Annual Report. Beginning on the preceding page with Board Chairman and Chief Executive Officer M. B. Thompson, and President I. J. Holton, both directors of the Company, and continuing on page five, you will find photographs of all Hormel directors and officers.



# OFFICERS AND DIRECTORS



**R. F. Gray\***  
Chairman of the Board  
(Retired)



**Raymond J. Asp\***  
Group Vice President  
Prepared Foods



**Harold B. Butler\***  
Group Vice President  
Operations



**L. D. Housewright, Jr.\***  
Group Vice President  
Meat Products



**Bruce Corey\***  
Vice President  
Planning & Engineering



**N. D. Gahagen**  
Vice President  
Distribution Plants  
& Route Car Sales



**Robert M. Gill**  
Vice President  
Personnel &  
Industrial Relations



**Clayton T. Kingston**  
Vice President  
Pork Operations



**Geo. W. Ryan\***  
Vice President  
Cattle Feeding Operations



**Donald S. Sorenson**  
Vice President  
Beef Operations



**E. C. Alsaker\***  
Treasurer



**Charles D. Nyberg**  
Secretary



**R. F. Potach**  
Controller



**Walter B. Stevens**  
Assistant Treasurer



**Robert J. Thatcher**  
Assistant Treasurer



**Don J. Hodapp**  
Assistant Controller



**Richard W. Schlange**  
Assistant Controller



**Sherwood O. Berg\***  
Dean, Institute of  
Agriculture  
University of Minnesota



**Gordon Murray\***  
Chairman of the Board  
First National Bank  
of Minneapolis

\*Director



# THE FINANCIAL HIGHLIGHTS

FISCAL YEAR 1969 WAS CHARACTERIZED BY SUBSTANTIAL PROGRESS AND CHANGE. THE HORMEL COMPANY CONTINUED ITS RECORD-BREAKING PERFORMANCE BY ATTAINING NEW SALES AND PROFIT MILESTONES. THE YEAR'S FINE RESULTS WERE ALSO REFLECTED IN AN INCREASE IN CASH DIVIDENDS.

The year 1969 brought Geo. A. Hormel & Company to a new milestone of progress. For the 52 weeks ended October 25, 1969, earnings, earnings per share of common stock, and sales were the highest ever recorded.

## **Net Earnings Reach New High**

A new high was attained in net earnings for the year at \$9,235,601, an increase over last year of \$101,608. The earnings in 1969 were \$3.88 per share of common stock as compared to \$3.84 per share the preceding year. The Federal surtax on income applied to the full fiscal year 1969 and only 10 months of fiscal year 1968.

Eligible Hormel Company employees shared in Joint Earnings for the 31st consecutive year, receiving \$2,495,921 in 1969. The sum of \$34,706,081 has been allocated to Joint Earnings since the beginning of this program.

## **Dollar Sales Increase 6.9%**

The dollar sales for 1969, after returns and allowances, were \$626,017,304, an increase of 6.9 per cent over the previous year. Sales for 1968 were \$585,879,295.

Sales tonnage of 1,448,424,543 pounds was 3.9 per cent less than in 1968. The reduced tonnage resulted from a decision to curtail certain slaughtering operations during periods of time when such operations were either unprofitable or of only marginal profitability.

## **Over \$10 Million Spent On Capital Improvements**

The Hormel Company continued its program of improving and expanding facilities. A total of \$10,470,746 was spent on additions to property, plant and equipment. Some capital expenditures programmed for 1969 have been carried over to 1970 to coordinate with other phases of operations. The 1970 capital improvement program is estimated to be in excess of \$10 million.

Depreciation for the fiscal year 1969 was \$3,829,716, as contrasted to \$3,577,717 last year.

## **Dividend Rate Is Increased to 35¢**

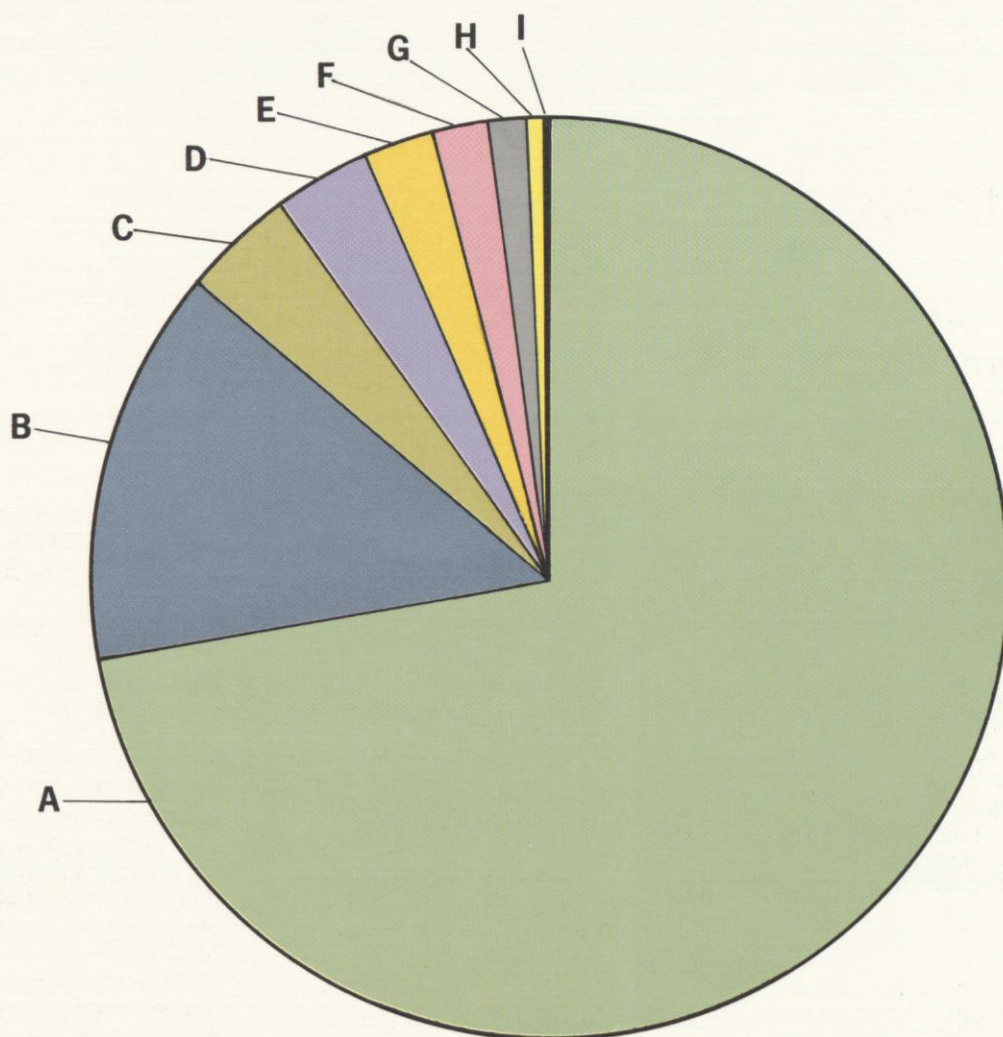
Dividends paid and accrued were \$2,975,310. The Board of Directors increased the quarterly dividend rate on September 22, 1969, from 30¢ per share to 35¢ per share, payable on November 15, 1969. This was the fourth increase in the regular quarterly dividend rate since January 1, 1967.

Geo. A. Hormel & Company has paid dividends for 41 consecutive years.

## **Employee Pension Trusts Discussed**

The provision for current and past services under the Employee Pension Trusts for the year amounted to \$6,347,000. This makes a total of \$54,266,877 which has been allocated to the employee retirement program since its inception. The Company's obligation at the end of the fiscal year for unfunded past services under the pension plan was estimated at \$46,510,000.





## THE SALES DOLLAR... HOW IT WAS USED

A.	COST OF LIVESTOCK, SUPPLIES, ETC. ....	71.92¢
B.	WAGES AND SALARIES .....	14.27¢
C.	MANUFACTURING, SELLING AND OTHER EXPENSES .....	3.94¢
D.	TRANSPORTATION COSTS .....	3.38¢
E.	EMPLOYEE BENEFITS .....	2.39¢
F.	ALL TAXES .....	1.96¢
G.	NET EARNINGS .....	1.48¢
H.	DEPRECIATION .....	.61¢
I.	INTEREST COST .....	.05¢



### **Labor Costs, Taxes Increase**

Locations affected by cost-of-living provisions in their union agreements had wages increased by 8¢ per hour in January, 1969, and by 8¢ per hour in July, 1969. Following the national pattern of the industry, basic rates were increased by 11¢ per hour in September, 1969.

Taxes for the year came to a total of \$12,259,754. State and local taxes have shown a marked increase in recent years, reflecting larger increases in the budgets of those governmental units.

### **Bank Term Loan Balance Reduced**

The bank term loan showed a balance of \$3,006,000 at the end of the year. The next installment of \$998,000 is due on March 15, 1970. Higher prices of raw materials resulted in intermittent short-term borrowing to cover peak periods.

### **Shareholders' Investment Rises \$6 Million in 1969**

The shareholders' investment on October 25, 1969, amounted to \$76,480,461. This was an increase of \$6,260,291 over the prior year.

### **Cattle, Hog Supplies For 1970 Are Projected**

It is anticipated that there will be no significant change from 1969 in the numbers of cattle coming to market in the year ahead. Hog supplies are expected to be lower during the first half of the year and moderately larger during the second half. With the

consumer demand for meat increasing, a high level for livestock prices is expected for much of the year.

Your management is dedicated to the task of continued growth. The aggressive program of improving and expanding facilities in recent years, together with a general plan of cost reduction, serves to prepare the Company for the coming decade.

The record results of 1969 can be attributed to the support, cooperation and loyalty of our employees, our customers, our livestock producers, our shareholders and our suppliers.



1969



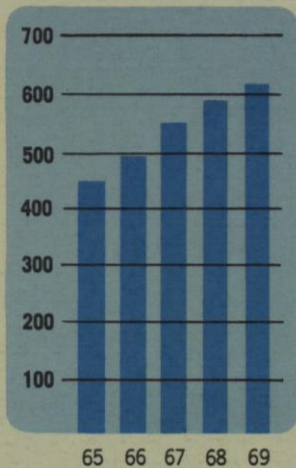
FINANCIAL SECTION



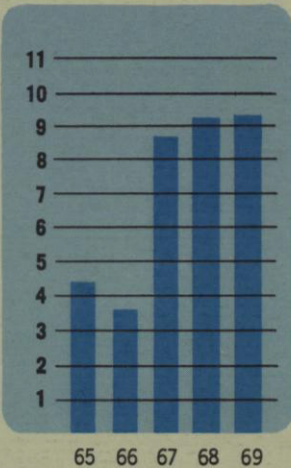
# FINANCIAL COMPARISONS

## FISCAL YEARS 1965–1969

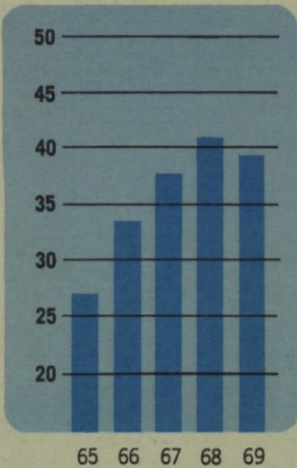
**SALES**  
in millions



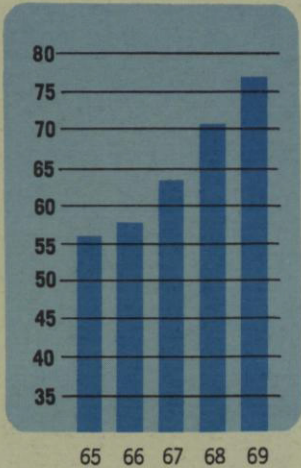
**NET EARNINGS**  
in millions



**WORKING CAPITAL**  
in millions



**STOCKHOLDERS' INVESTMENT**  
in millions





## FIVE YEAR REVIEW

(In thousands of dollars)

	1969	1968	1967	1966	1965
Sales .....	\$626,017	\$585,879	\$548,819	\$491,733	\$441,600
Net Earnings .....	9,236	9,134	8,658	3,511	4,351
Wage Costs .....	104,325	98,519	91,409	78,399	78,618
Total Taxes .....	12,260	11,833	9,633	4,774	4,950
Depreciation .....	3,830	3,578	3,417	3,198	2,902
Properties (net) .....	38,767	32,211	29,164	28,293	28,248
Working Capital .....	39,339	40,497	37,707	33,489	26,668
Stockholders' Investment .....	76,480	70,220	63,407	57,188	55,306
<hr/>					
Sales tonnage (million pounds) .....	1,448	1,508	1,427	1,161	1,200
Net earnings to:					
Sales .....	1.48%	1.56%	1.58%	.71%	.99%
Sales tonnage (cwt.) .....	64¢	61¢	61¢	30¢	36¢
Per share earnings, on common stock (adjusted) .....	\$3.88	\$3.84	\$3.64	\$1.48	\$1.83



# STATEMENT OF CONSOLIDATED FINANCIAL POSITION

	Oct. 25, 1969	Oct. 26, 1968
<b>CURRENT ASSETS</b>		
Cash .....	\$11,503,811	\$10,388,433
United States Government and other marketable securities —at cost which approximates market .....	6,667,003	14,567,961
Accounts receivable, less allowance \$100,000 .....	30,995,994	24,599,816
Inventories of products, livestock, packages and materials —at lower of cost (principally first-in, first-out) or market .....	26,881,732	25,818,669
Prepaid insurance and other expenses .....	589,523	380,628
<b>Total Current Assets</b>	<b>\$76,638,063</b>	<b>\$75,755,507</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses .....	\$33,858,739	\$31,449,842
Dividend payable November 15 .....	833,087	714,074
Federal income taxes .....	1,609,337	2,096,394
Payments due within one year on long-term debt .....	998,000	998,000
<b>Total Current Liabilities</b>	<b>\$37,299,163</b>	<b>\$35,258,310</b>
<b>WORKING CAPITAL</b> .....	<b>\$39,338,900</b>	<b>\$40,497,197</b>
<b>INVESTMENTS—at cost</b> .....	<b>382,433</b>	<b>517,782</b>
<b>PROPERTY, PLANT AND EQUIPMENT—on the basis of cost</b>		
Land .....	\$ 1,304,400	\$ 1,009,809
Buildings .....	31,755,662	27,142,568
Equipment .....	40,896,437	36,859,487
Construction in progress .....	3,870,244	4,245,788
Less allowances for depreciation .....	(39,059,615)	(37,046,461)
	<b>\$38,767,128</b>	<b>\$32,211,191</b>
	<b>\$78,488,461</b>	<b>\$73,226,170</b>
<b>LONG-TERM DEBT—less amounts due within one year</b>		
Notes payable to banks, 5¼%, due \$998,000 annually .....	2,008,000	3,006,000
<b>STOCKHOLDERS' INVESTMENT</b> .....	<b>\$76,480,461</b>	<b>\$70,220,170</b>

See note to consolidated financial statements.



# STATEMENT OF CONSOLIDATED STOCKHOLDERS' INVESTMENT

Fiscal Year Ended  
Oct. 25, 1969                      Oct. 26, 1968

## CAPITAL STOCK (at end of year)

Preferred Stock, par value \$100 a share:

Authorized 50,000 shares

Issued—none

Common Stock, par value \$3.75 a share:

Authorized 3,000,000 shares

Issued and outstanding 2,380,248 shares .....

\$ 8,925,930

\$ 8,925,930

Additional paid-in capital .....

1,986,315

1,986,315

\$10,912,245

\$10,912,245

## EARNINGS REINVESTED IN BUSINESS

Balance at beginning of year .....

\$59,307,925

\$52,494,675

Net earnings for year .....

9,235,601

9,133,993

\$68,543,526

\$61,628,668

Deduct cash dividends on Common Stock (1969—\$1.25 a share; 1968—\$.975 a share) .....

2,975,310

2,320,743

Balance at end of year .....

\$65,568,216

\$59,307,925

TOTAL STOCKHOLDERS' INVESTMENT .....

\$76,480,461

\$70,220,170

See note to consolidated financial statements.



# STATEMENT OF CONSOLIDATED EARNINGS

	Fiscal Year Ended	
	Oct. 25, 1969	Oct. 26, 1968
Sales, less returns and allowances .....	\$626,017,304	\$585,879,295
Interest and other income .....	78,253	442,309
	<u>\$626,095,557</u>	<u>\$586,321,604</u>
Costs and expenses:		
Cost of products sold .....	\$546,976,097	\$508,878,387
Selling and delivery expenses .....	52,352,003	51,582,986
Administrative and general expenses .....	7,309,649	6,505,084
Interest .....	287,207	321,154
	<u>\$606,924,956</u>	<u>\$567,287,611</u>
Earnings before income taxes .....	\$ 19,170,601	\$ 19,033,993
Federal income taxes .....	9,935,000	9,900,000
NET EARNINGS (Per Share 1969 - \$3.88; 1968 - \$3.84) .....	<u>\$ 9,235,601</u>	<u>\$ 9,133,993</u>
Provision for depreciation under accelerated methods included in costs and expenses 1969 - \$3,829,716; 1968 - \$3,577,717.		

See note to consolidated financial statements.

NOTE TO CONSOLIDATED FINANCIAL STATEMENTS OCTOBER 25, 1969

## NOTE A — PENSION PLANS

The Company has several pension plans covering substantially all of its employees. The total pension expense for the year was \$6,347,000 which includes amortization of prior service cost over a thirty-year period from date of inception or date of amendment of the plans. The Company's policy is to fund pension cost accrued. The actuarially computed value of vested benefits for all plans as of October 25, 1969, exceeded the total of the pension funds and balance sheet accruals by approximately \$22,077,000. The unfunded prior service cost was estimated to be \$46,510,000 at October 25, 1969.



# ACCOUNTANTS' REPORT

## ERNST & ERNST

FIRST NATIONAL BANK BLDG.

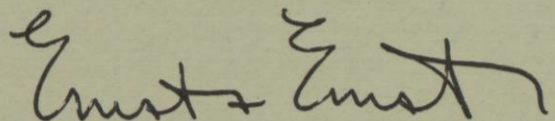
MINNEAPOLIS, MINN. 55402

To the Stockholders and Board of Directors  
Geo. A. Hormel & Company  
Austin, Minnesota

We have examined the statement of consolidated financial position of Geo. A. Hormel & Company and subsidiary as of October 25, 1969 and the related statements of consolidated earnings and stockholders' investment for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statements of consolidated financial position, earnings and stockholders' investment present fairly the consolidated financial position of Geo. A. Hormel & Company and subsidiary at October 25, 1969 and the consolidated results of their operations and changes in stockholders' investment for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Minneapolis, Minnesota  
November 19, 1969

A handwritten signature in dark ink, appearing to read "Ernst & Ernst", is written in a cursive, stylized script.







## INVESTING FOR GROWTH

THE PAST FISCAL YEAR WAS ONE IN WHICH THE HORMEL COMPANY LAUNCHED AN AMBITIOUS INVESTMENT PROGRAM TO ACCELERATE THE GROWTH OF THE CORPORATION. OVER \$10,000,000 HAS BEEN AUTHORIZED THIS YEAR TO PROVIDE INCREASED PRODUCTION CAPACITY, IMPROVEMENTS IN OPERATING EFFICIENCY AND NEW PROFIT OPPORTUNITIES.

The capital improvements program of the past year was the largest in the history of the Company. Over the past five years, nearly \$30 million has been invested in new plant construction and in improvements to existing facilities and equipment.

Still additional sums of money have been expended in research and development efforts aimed at the introduction of new products and improvement of the quality and convenience of those products already before the consuming public.

### **All Production Lines Operating at Atlanta Distribution Plant**

All construction and equipment installation work has been completed at the 194,500 square foot Atlanta, Georgia, distribution plant — The Hormel Company's largest non-slaughtering facility.

Production operations were started for Hormel Chili, Dinty Moore Beef Stew, Mary Kitchen Corned Beef Hash and Vienna Sausage. Other Grocery Products items will be produced in the near future. Manufacture of Hormel Cure/81 Hams, Hormel Wieners, Range Brand and Black Label Bacon, bologna and other smoked sausages is underway. The Hormel Company is now better equipped to satisfy the growing consumer demand for these products in the rapidly growing Southeast.



Atlanta distribution plant.



To further strengthen the Company's expanding role in the food service industry, facilities have also been provided for a completely modern institutional operation which has special appeal to restaurants and other mass-feeding outlets. Other installations in the Atlanta plant include a continuous smokehouse system, and a warehouse with a holding capacity of 5,000,000 pounds of product.

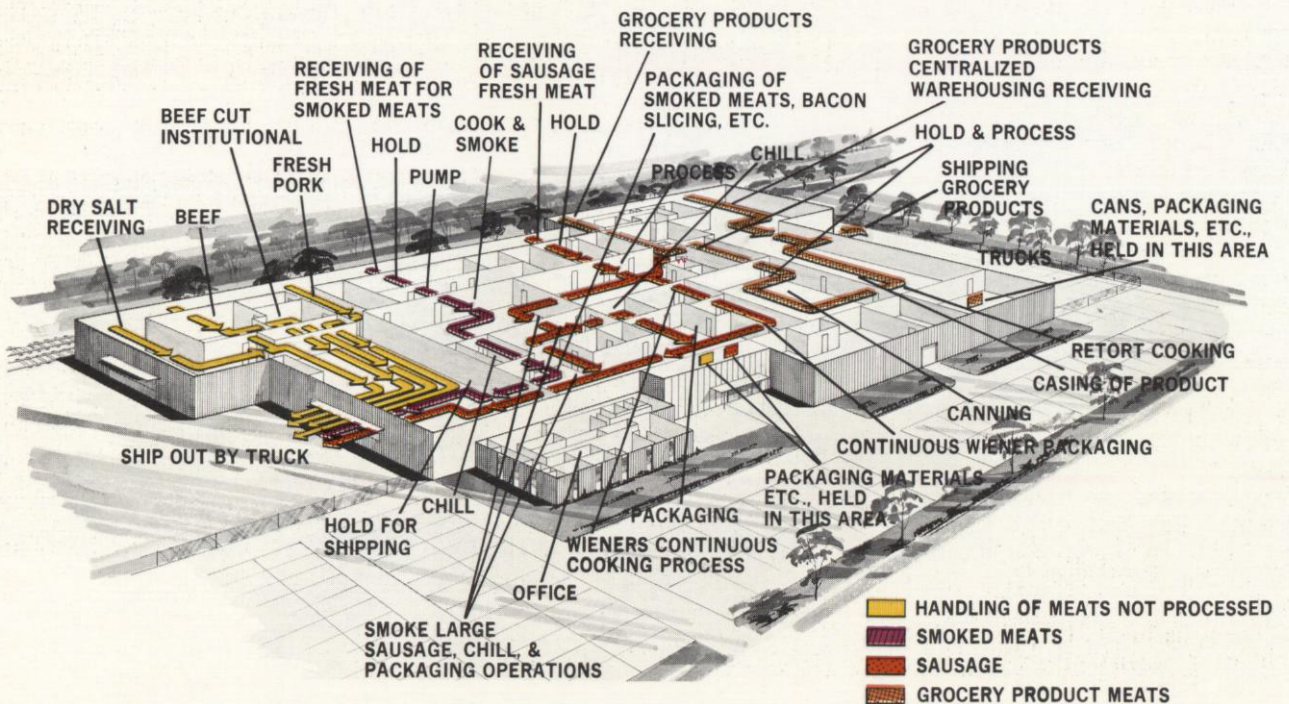


American Can Company building in Fort Dodge.

#### Other Capital Additions, Improvements Reached Completion Stages in '69

Several large plant expansions were completed within the past twelve months. Of major significance was the opening of a

72,000 square foot can assembly building (built by Hormel and leased to American Can Co.) adjacent to The Hormel Company's plant in Fort Dodge, Iowa. Over 150,000 newly-formed cans travel by conveyor each day to Hormel production lines.



Roof-off perspective drawing of the Atlanta distribution plant.





Close-up view of American Can.

Empty SPAM cans which arrive from the American Can Company plant are filled, closed, vacuum-sealed and then sent directly to the towering SPAM hydrostatic sterilizer. This 65-foot unit consists of an endless conveyorized chain of trays that carry the cans through several processing cycles. When fully loaded, the "cooker" can hold 38,500 12-oz. SPAM cans or 60,000 7-oz. cans.

Many capital improvements have been made in Fort Dodge in recent months. The plant has been largely renovated. Nearly all fresh sausage operations have been transferred to other Hormel plants. New canning facilities have been added, increasing markedly the Company's production capabilities for canned meat items.

Construction of large warehouses in Fort Dodge and Stockton, California, along with expansion of the American Can Company building in Austin, enables Hormel to assure efficient movement of product from the start of production to shipment to customers around the globe.

### **Dry Sausage Plant Under Construction In Algona, Iowa**

Construction of a new Dry Sausage manufacturing plant in Algona, Iowa, is expected to be completed and ready for occupancy in late spring of 1970.

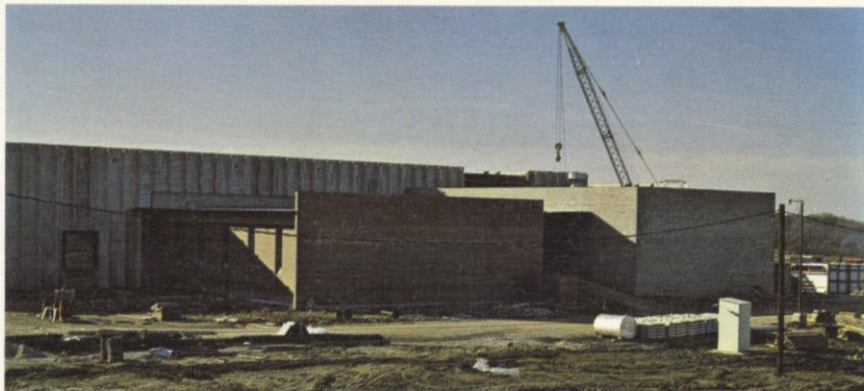
The one-story, 85,000 square foot building is being equipped with advanced materials handling techniques, custom-built manufacturing equipment, specially-designed smokehouses and zoned drying rooms. The plant

will be capable of producing any or all of the 45 Dry Sausage products now being manufactured by Hormel. Several new specialty items which are included in future marketing plans of the Company will also be able to be manufactured in the Algona plant.

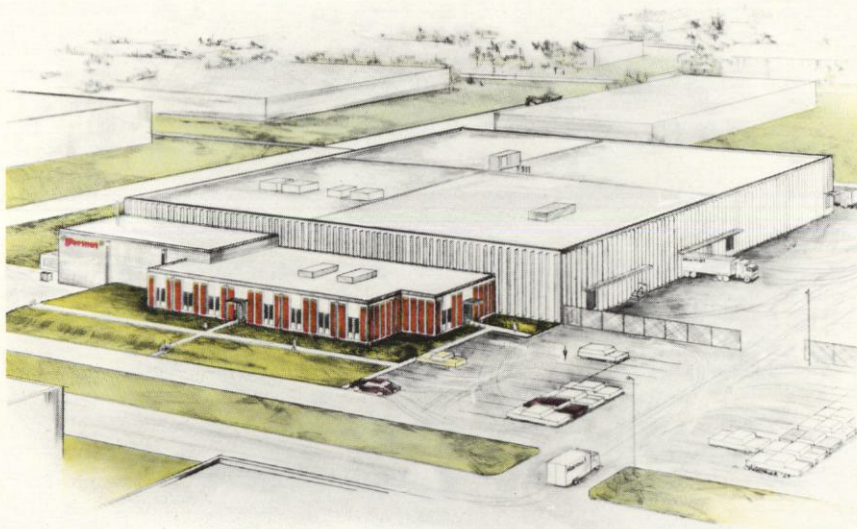
The facility is ideally situated to receive supplies and raw materials from the Austin and Fort Dodge slaughtering plants. It is also in a favorable geographic position for transporting of finished product by truck or rail.



Algona, Iowa, Dry Sausage manufacturing plant under construction.







The proposed Dallas, Texas, distribution plant.

#### **New Distribution Plants Scheduled for Construction In Dallas, Seattle, Albany**

Engineering design or actual construction work has progressed rapidly for distribution plants scheduled for construction in 1970 in Dallas, Texas; Seattle, Washington; and Albany, Georgia. In addition, plans are developing for replacing distribution facilities in other major U. S. cities.

Construction has already started in the Red Bird Industrial Park in Dallas for a 93,500 square foot building. Processing and packaging of Cure/81 Hams and other smoked meat items will be performed in this new structure. Five acres of land was purchased in Seattle for the construction of a 60,000 square foot facility. A variety of sausage products and smoked meats will be manufactured. A modern processing line for wiener production will be installed to assure uniformity in flavor, taste, color and size. The new Albany distribution plant will facilitate movement of product in the Southeast and will further enhance The Hormel Company's ability to serve retail and wholesale markets in this area.

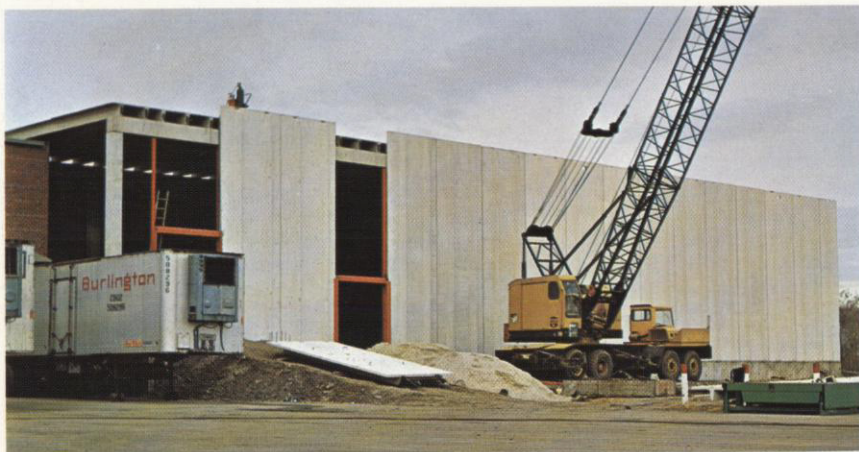
Several acres of land will be purchased in Houston for the building of a new distribution plant in that city. Actual construction of this plant is not scheduled for 1970. Replacement of other Hormel distribution plants with newer facilities are also being explored.

#### **Reduced Operating Costs, Added Capacity Are Goals Of Capital Expenditures**

Several other capital additions were completed, under construction or authorized by The Hormel Company for 1970 which will aid in either increasing output, enhancing quality, or reducing operating costs.

A new freezer addition — consisting of 7,000 square feet — was built on the west side of the Fremont, Nebraska, plant. Reconstruction and modernization of the former freezer building is now underway. This will ultimately result in new quarters for the beef coolers and in increased hog cooler capacity as well. A forward-flowing continuous wiener processing system is also being installed to provide greatly increased production capacity and improved quality control.

New stainless steel smokehouses to be used in the manufacture of Cure/81 Hams, Hormel Bacon and other smoked meat items are now being installed for the Austin plant. The Hog Cut Departments at Austin, Fremont and Fort Dodge will be renovated.



Freezer addition in Fremont, Nebraska.



## SERVICE TO THE CONSUMER

THE DEMAND FOR HORMEL PRODUCTS WAS THE HEAVIEST IN THE COMPANY'S HISTORY AND IS CONTINUING AT A BRISK PACE. INCREASED EMPHASIS ON ADVERTISING, PROMOTION, MARKET AND NEW PRODUCT RESEARCH ACTIVITIES IS EXPECTED TO RESULT IN FURTHER MARKETING SUCCESSES IN 1970.

First in quality, advertising and sales! That's a concise but accurate description of the Hormel Cure/81 Ham — a product so popular today that many competing brands of boneless hams have been placed on the market since its introduction.

The Cure/81 is a ham so carefully trimmed, cured and smoked that each one is registered individually. No other ham can make that statement; nor has any other ham won an equal measure of consumer favor.

To improve upon an already fine performance, The Hormel Company developed an aggressive advertising and promotional program for Cure/81. Advertisements have appeared regularly in LIFE, TIME, Reader's Digest, Women's Day, McCall's, Family Circle, Good Housekeeping and Better Homes and Gardens. Radio and television was used to supply the continuity, concentration and saturation that other media could not provide. These efforts were further supported with colorful display and point-of-sale materials suitably placed in local supermarkets and grocery stores. As a result, it was another booming year for the "World's Most Nearly Perfect Ham!"



Cheese Petal Cure/81 Ham.





Wieners Black Forest.



Wieners French.

#### New Recipe Ideas For Hormel Wieners Are Introduced

Call it "wiener" or "frankfurter," in America today it's usually referred to as the "hot dog." It is estimated that Americans are presently consuming some 12 billion "hot dogs" per year — about 80 per person.

There are scores of other tempting uses for the wiener, however, and The Hormel Company has developed several serving suggestions which reveal the variety of delicious ways in which this popular product can be prepared. Wieners Black Forest, Wieners French, Wieners Italiano and Country Crust Casserole are the latest recipes that have been introduced to acquaint housewives with the myriad of possibilities that exist in making wieners excellent eating for the entire family.

#### Hormel Has All-Star Line-up in NFL Promotion

In 1965, The Hormel Company "teamed up" with professional football through contractual arrangements with National Football League Properties (NFLP), the merchandising arm of the NFL.

Hormel was interested in capitalizing on the phenomenal growth and interest in football and its players through the development of an exciting nationwide campaign — now familiarly known as the "Training Table Foods" program. The Company negotiated exclusive rights to use the NFL name and the training table theme in labeling, advertising and promotion of certain of its products. Although Hormel was a single participant five

years ago, nine major food manufacturers have since become affiliated with this program. Hormel meats are actually on the training tables of the 16 NFL teams.

The National Football League has the highest rated viewing of any television sports program. An estimated 100 million people follow professional football through television, magazines, newspapers, radio and actual attendance. Thirty per cent of the television football audience are women and thirty-five per cent of the spectators at a professional football game are women.

In an effort to gain their attention, the 10 food industry participants utilize television commercials, advertisements in leading national magazines, point-of-sale displays, product package offers and numerous other materials which are available from NFLP. Hormel advertisements carry the NFL seal with the legend "Selected Official Training Table Foods". The same emblem also appears on millions of Hormel food packages each year.



Hormel NFL "Training Table Foods."



### **Hormel Chili, Dinty Moore Beef Stew on Network Television**

The Hormel Company — with Hormel Chili and Dinty Moore Beef Stew playing the leading roles — made its debut on two television networks late last year. Although regional and local television commercials have been an important part of the Company's advertising campaigns for many years, this marked the first occasion when time on network shows had been purchased.

The Company's marketing efforts throughout the year received strong support from imaginative and well-executed advertising and merchandising programs. Advertisements appeared regularly in several carefully-selected national publications, and newspaper, radio and television "spots" were used in local markets where additional emphasis was necessary.

### **Food Service Division Contributes Materially To Company Profits**

The rapid expansion of the "meals away from home" market has prompted Hormel to expand its own sales force to better serve the institutional trade. New and better service-oriented products were introduced in recent months — each designed to meet the special needs of mass-feeding operations.

The line of portion-controlled frozen meats processed by Hereford Heaven Brands, Oklahoma



**Breaded Beef Patty.**

City, Oklahoma, achieved a new level of distribution in both retail and institutional outlets in 1969. Breaded Beef and Pork Patties, Premium Veal Steaks, Breaded Veal Steaks and other quality frozen meat products found new homes in hospitals, schools, colleges, industrial plants and restaurants.

The Hormel Company is also responding to the public's desire for quick, light and appealing

snacks as a major supplier of hot canned foods for the vending industry.

Frozen entrees for mass feeding continues to show significant growth. Hormel is now marketing 41 of these products ranging from Macaroni and Cheese to U. S. Choice Boneless Shortribs in BBQ Sauce.

Over 40,000 vending machines nationwide are stocked with products bearing the Hormel label and sales of these items presently account for approximately 20 per cent of the total market for entree items.

Encouraged by this substantial growth over the past five years, Hormel has recently moved four more products into vending and mobile catering markets — Noodles 'n Tuna, Scalloped Corn 'n Ham, Hormel Extra Hot Chili and Chili Mac. Plans are also being formulated to introduce additional products this year. The Hormel Company's vending line now consists of 12 products.



**Breaded Pork Patties.**





The Wonderful World of SPAM.

#### **Hormel International Sales Increase Markedly; SPAM is Introduced in Australia**

Considerable progress was made during the past year in developing The Hormel Company's international activities. Export sales rose to an all-time high as the Company vigorously pursued a policy of locating new outlets for its products in other countries. Significant gains in export sales of by-products and lard were accomplished in 1969.

Consumer research studies were scheduled and completed in selected overseas markets to search out the areas of growth opportunity, the Hormel image and the availability of further penetrations into these markets. These research findings provided a factual basis for the launching of several new, top-quality meat products that are not marketed in the domestic United States. Additional consumer products may be introduced as a result of this export program.

The successful test marketing of SPAM in Australia led to the formation earlier this year of Hormel-Cerebos Pty. Ltd. Cerebos, the Hormel partner, is an Australian subsidiary of the British firm of Ranks, Hovis McDougall Group, one of the largest grocery companies in the world. Both Hormel and Cerebos envision the introduction of SPAM in Australia as the beginning of an extensive consumer-oriented meat operation in that part of the world. Other opportunities have also been identified in the Austral-Asian markets and active negotiations are presently underway to maximize those potentials.

Additional developments in both the Western Hemisphere and Europe are being explored for the express purpose of expanding the Company's international business.

#### **New Product Research: A Valued Investment In Tomorrow's Markets**

Products stemming from Hormel research have aided in improving the Company's record dollar sales in recent years. Research activities, coupled with steady investment in plant production facilities, has been the wellspring from which many popular Hormel products have emanated.

Fiscal year 1969 was no exception. The intensive quest for new and better products, along with the willingness to assume the many risks incurred in their development, was further pursued. The Company's staff of professionally-trained men and women directed their efforts to probing the many promising avenues leading to the development of new food products and food processing techniques.

The company that fails to introduce new products faces a possible decrease in sales and an accompanying loss in market share.



Home Economics Kitchen in New Product Research Building.















